

## Sector Thematic

# Infrastructure

### On the road to rerating

Despite concerns around COVID-19, for the Infrastructure sector, this period has been mostly Reboot-2.0. (1) NHAI awarding (FYTD21) started with a bang (about to surpass FY20); (2) the largest client NHAI eased working capital for developers; (3) banks are using surplus liquidity and low interest rates to increase allocation to the sector; (4) concerns on NHAI balance sheet seem to be abating; (5) increase in fuel cess to add Rs 1tn to fund infra annually (total Rs 2.3tn); (6) asset monetisation to lead to BS deleveraging; and (7) Atmanirbhar and NIP programs' on-ground execution lends visibility to longer duration Indian Infra buildout. We remain optimistic and see sector rerating at a 4-5x book-to-bill and sub 6/4.6x P/E for FY22/23E when peak ordering is still some time away. We build in 1SD target P/E expansion of 2-3x PE for the sector towards pre COVID-19 level with sectoral peak PE valuation still 25-30% away post this recalibration.



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### Multiple tailwinds to drive order book

The NHAI ordering in the last term of NDA government touched ~Rs 3.6tn (Rs 600bn/annum, FY14-19). Overall, road-related Capex annually has been Rs 2tn, and NIP envisages Rs 20tn of Capex in roads over the next five years (Rs 4tn annually). We believe this is a big ask though trend points to large Capex outlays. The NIP program may allay concerns on Bharatmala Phase 1 (BM-1) awards nearing completion and redrawing on BM-2 under NIP. This augurs well for more long-term ordering and sustainable sectoral growth.

### Balance sheet improvement likely, FY23 to be the year of asset monetisation

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 into the HAM projects by 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, Gsecs, etc. The monetisation may lead to further BS/CF improvement for our coverage universe.

### Players diversifying order book given the risk of roads ordering saturation

Despite robust order pipeline and NIP program, developers understand the need to be diversification-ready over the next two years. DBL has already reduced roads exposure to 49.7% whilst KNR and Ashoka are at 60.3% and 80.3% respectively. PNC has bagged a small water project worth Rs 2.9bn and is looking to add more non roads projects over the next few quarters in water and railways/metro. Buildings segment players may not diversify, but given high entry barriers, robust government Capex pipeline on education and health sector, growth saturation is some time away. Even larger roads players are focusing on diversification more on the non-building segment.

### The case for multiple rerating: 4 years infra awards runway ahead

FY21E awarding was supposed to be muted, post the COVID-19 pandemic, but we were positively surprised by robust awards. Horizontal developments like roads run across rural/urban areas and have considerable employment potential in rural areas. Besides, infrastructure creation is the backbone of manufacturing and translates to lower logistics costs. The plan resonates with the GOI Atmanirbhar schemes. The HAM assets, too, are backed by revenue models and decent IRRs. At sub 4.6x FY23E core P/E and peak awards some time away, we believe the sector has 1SD target P/E expansion potential of 2-3x PE from here. We have introduced FY23E financials for coverage companies and incorporated the P/E expansion changes in the detailed tables in the thematic section. **TOP PICKS: KNR, PNC Infra, Ashoka, Ahluwalia, Capacite Infra and KPTL.**

COMPANY	OLD RECO	NEW RECO	TP
<b>EPC/Infra</b>			
Ahluwalia Contracts	BUY	BUY	375
Ashoka Buildcon	BUY	BUY	147
Capacite Infraprojects	BUY	BUY	213
Dilip Buildcon	BUY	BUY	585
HG Infra	BUY	BUY	380
IRB Infra	BUY	BUY	157
ITD Cementation	ADD	BUY	68
JKIL	BUY	BUY	160
JMC Projects	BUY	BUY	88
KNR Constructions	BUY	BUY	390
NCC	BUY	BUY	60
PNC Infratech	BUY	BUY	290
PSP Projects	REDUCE	BUY	490
Sadbhav Engineering	BUY	BUY	96
KEC International	BUY	BUY	390
Kalpataru Power	BUY	BUY	410

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## We believe sector is set for re-rating

### Multiple expansion on cards as....

Sno.	Companies	PE multiple - Post COVID	PE multiple Estimate now	PE Multiple assigned - Pre COVID	Median Valuation Across Cycles	% Change	Comments
1	Ahluwalia	10	13	15	18	30%	We root for PE expansion towards precovid levels. AHLU with robust order book, strong corporate governance, superior ROE profile and near net cash status may see re-rating in near to mid term
2	Ashoka Buildcon	8	8	12	15	0%	We believe ACL monetization is critical for PE rating. For now target PE remains unchanged and below precovid levels. ACL needs to achieve monetization for serious re-rating
3	Capacite Infra	8	10	12	15	25%	CIL is well placed for recovery. Our channel checks suggest near normal labour at sites. Collections is improving and work has started on all sites. CIL is well placed for re-rating from 3QFY21. We still value it below precovid levels of 12x PE
4	Dilip Buildcon	8	10	12	15	25%	DBL has started FY21 with a bang with order inflow in excess of Rs 100bn and surpassing FY20. With large part of ordering in FY21E still ahead, DBL stands to win more orders. Good part is orders are largely coming from non roads which augurs well for diversification. We ask more on BS improvement, with sustained reduction in debt. We understand HAM asset monetization shall aid BS deleveraging. Owing to likely order inflow and execution surprise we have upgraded PE multiple
5	HG Infra	10	10	12	15	0%	We have kept PE unchanged as we want HG to get NWC sorted out with collection from Rajasthan Govt and private debtors. The execution and new HAM project wins are contingent on debtors recovery
6	IRB Infra	4	5	6	8	25%	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
7	ITD Cementation	8	10	12	18	25%	ITD will start hitting RS 10bn/qtr revenue from 4QFY21, this shall augur well for growth and profitability. Focus on EPC, cross sector expertise, healthy balance sheet and MNC parentage, warrants a re-rating
8	J Kumar Infra	6	6	8	15	0%	Whilst JKIL has a history of unfortunate bad press, it has come out stronger every time. Now it's time for delivery of numbers on back of strong order book. EPS growth surprise will lead to PE re-rating. We await for more concrete delivery of same
9	JMC Projects	8	10	11	15	25%	JMC has surprised us on order intake in FYTD21. Labour availability is improving, non buildings segment share is increasing for the company and painful BOT assets may see restructuring by FY21E end. We believe this warrants a PE re-rating
10	KNR Constructions	12	15	15	18	25%	KNR has lifetime high order backlog of Rs 100bn+ including L1 on back of Rs 43bn of new wins FYTD21 and may bag Rs 20-30bn further for rest of FY21E. There is serious case of EPS upgrade for FY22/23E even to our current numbers. HAM/BOT portfolio is already monetized with Cube tieup. Irrigation receivable is cause of concern but manageable. Hence, we have upgraded PE from 12x to 15x for this net cash company (ex promoter debt)

S. No.	Companies	PE multiple - Post COVID	PE multiple Estimate now	PE Multiple assigned - Pre COVID	Median Valuation Across Cycles	% Change	Comments
11	NCC	8	8	12	15	0%	NCC is 8th largest Indian Infra company , though it has had fair setbacks viz Sembcorp, AP order cancellation, Real estate shocks. Despite this the company is one of few which has survived across cycles. FYTD21 order inflow is robust at Rs 42bn. We believe NCC with its diversified capabilities is well aligned with NIP program and once large ordering happens NCC will benefit. Sembcorp arbitration resolution is nearing finality. AP execution has resumed and pending dues are slowly getting cleared by Govt. We believe NCC warrants a re-rating but as of now we have retained our 8x target PE and will be watchful of positive news flow on recovery
12	PNC	12	12	15	18	0%	PNC has seen significant re-rating over last 2-3yrs on back of robust order inflow and growth delivery. Now at Rs 45bn turnover, PNC needs to diversify outside roads in big way and use its credentials in Railways to get new wins. PNC has improved its NWC over last 4-5qtrs through mix of arbitration claims receipt and better choice of projects. Large part of FCF is going towards HAM equity (Rs 15bn for the portfolio, Rs 10bn yet to be invested). We believe PNC multiple re-rating is contingent on segment diversification and asset monetization. We have kept multiple unchanged for now
13	PSP	10	12	13	15	20%	PSP has achieved scale with the successful execution of nearing completion SDB project. The company will get eligible for larger Rs 20bn+ orders now. There is limited visibility of growth with Rs 30bn order book but we believe PSP has credentials and will win new orders .We have increased target PE from 10x to 12x
14	Sadbhav Engineering	6	8	12	15	33%	SEL is under financial and execution healing with the sale of SIPL assets. The promoter has shown intent to make SEL pledge free in next few months. Execution is guided to get normalized to Rs 100mn/day from Oct-20. We believe SEL warrants a PE expansion
15	Kalpataru Power	10	11	11	15	10%	Minor increase in PE to factor in sale of BOOT assets, near cash standalone BS and improving real estate segment which shall augur well for Kalpataru parent
16	KEC International	12	14	14	15	17%	We have increased multiple to factor in robust order accretion, cross segment order book and track record of execution delivery

## NHAI kick-starts FY21 awards with a bang

NHAI executes higher value projects, and has ~78% share in National Highway Capex (~22% MORTH share)

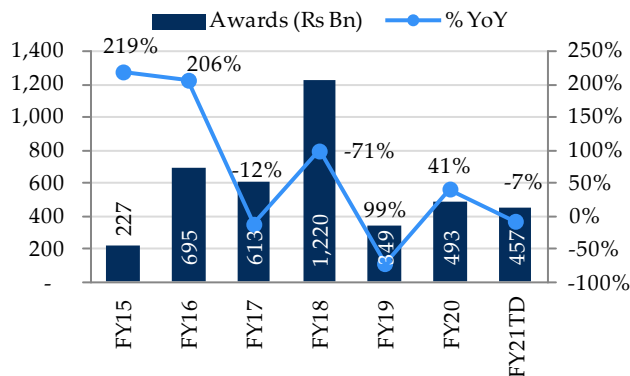
Apart from NHAI, MORTH awarded/completed 8,912/10,237 km in FY20 (vs 5,470/10,885 km in FY19)

KNR, PNC, Ashoka, DBL, HG Infra stand to benefit from outlays on NH

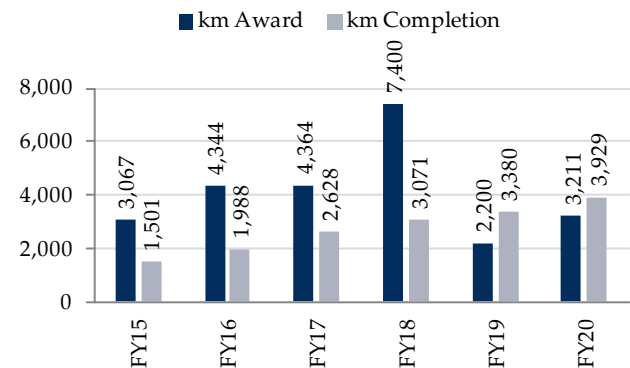
### Very unexpected, ordering has been robust

- Till 11<sup>th</sup> Sep 20 NHAI/NHIDCL has awarded projects worth over Rs ~500bn (L1 value) with a mix of ~46:54 between EPC & HAM, the highest in three years, which is an achievement, especially against the backdrop of COVID-19. During April to first half of September 2020, the NHAI has awarded over 42 projects.
- The NHAI has set a target of building 4,500-kilometre highways in FY21, of which 40% would be executed on HAM and ~5-10% on the BOT model. The authority will execute the remaining road projects through EPC. This is expected to entail awards worth over Rs ~800bn in FY21. To drive the investor sentiment back in the BOT segment, the NHAI in February came out with a new set of guidelines, a draft Model Concessionaire Agreement (MCA). However, two bids awarded to NHAI for Rs 22bn were annulled in July-20 due to limited interest from bidders.
- Moreover, NHAI has mandated partial release of BGs and contractual payments to be made on monthly basis percentage completion for the time being vis-à-vis milestone-based earlier, which has vastly eased CF pressures on contractors.
- Ordering was driven by six projects mentioned in the exhibit below. Gujarat and Bihar were the biggest beneficiaries accounting for 24% and 18% awards respectively. Zojilla tunnel (J&K) awarded by NHIDCL contributed ~9%.
- Apart from NHAI, other major project awards in FY21TD are Rishikesh Karnprayag RVNL (packages 3/6/9), Narmada River projects - Water Supply & Kalpsar Dept., Delhi Meerut RRTS projects, etc., together totalling Rs ~110bn.

#### NHAI awarding trend - Rs bn



#### NHAI Roads awarding and completion trend - km



Source: HSIE Research

#### State-wise FY21TD NHAI/NHIDCL large awards (L1)

States (Rs bn)	EPC	HAM	Grand Total	% Total
Andhra Pradesh	-	19.0	19.0	4%
Bihar	39.0	50.3	89.3	18%
Gujarat	71.8	46.9	118.7	24%
Haryana	-	17.3	17.3	3%
J&K*	45.1	-	45.1	9%
Karnataka	5.6	12.7	18.3	4%
Madhya Pradesh	9.9	11.2	21.2	4%
Maharashtra	-	52.7	52.7	10%
Rajasthan	52.4	-	52.4	10%
Telangana	-	11.4	11.4	2%
Uttar Pradesh	6.0	13.1	19.0	4%
Kerala	-	38.0	38.0	8%
<b>Grand Total</b>	<b>229.8</b>	<b>272.6</b>	<b>502.4</b>	<b>100%</b>
<b>Total %</b>	<b>46%</b>	<b>54%</b>	<b>100%</b>	

Source: HSIE Research; \* NHIDCL Zojilla tunnel

Source: HSIE Research

#### Major projects awarded in FY21TD

Project	L1 Rs bn
Delhi Vadodara Expressway (10 packages)*	86.9
Rajasthan/Gujarat Border - Amritsar Jamnagar (3 packages)	15.7
Vadodara Mumbai (5 packages)	90.8
Ahmedabad - Dholera (4 packages)	31.6
Zojilla Tunnel (NHIDCL)	45.1
Rajauli-Bakhtiyarpur (2 packages)	32.3
<b>Total (A)</b>	<b>302.3</b>
<b>Other Projects (B)</b>	<b>200.1</b>
<b>Grand Total (A+B)</b>	<b>502.4</b>

Source: HSIE Research, \* including 2 Jiangxi packages awarded to PNC

## Bid pipeline continues to remain strong

### We may be heading for a record year in terms of new awards after weak FY19/20

- Apart from the NHAI tendering pipeline of Rs ~62bn, results of 40+ packages (HAM:EPC mix of approximately 40:60) worth another Rs~300-400bn from NHAI and states are awaited by Oct-20. Hence, with ~Rs 502.4bn of projects awarded till date, we may surpass FY20 by 2HFY21.
- The intense bidding may also be making up for the weak momentum over the past two years. We expect the Bharatmala Programme Phase 1 – 34,800km (BM1) to get awarded by FY23/FY24 and completed by FY27.
- Post that, government/NHAI may look at developing the BM-2 comprising 41,800km.

#### NHAI tendering pipeline as on 3-Sep-20

State	HAM/EPC (No. or projects)	Project Cost (Rs bn)
Haryana	EPC (2)	10.7
Delhi	EPC (3)	45.1
Delhi	HAM (1)	6.2
Total		61.9

Source: HSIE Research, NHAI

## A large part of awarding to unlisted players

### Unlisted players aggressive, listed remain conservative

Private unlisted players took away the lion's share in FY21TD (EPC 64%, HAM 75%, 70% overall), given that a large number of players remains privately held. We have seen that despite concerns on banks funding HAM project, most of the players successfully tied up funding. Listed players remained conservative on the back of investors muted view on equity outlays. Bidding intensity is higher for lower value projects and EPC projects in general.

#### FY21TD HAM + EPC market share – unlisted players contribute 70% of Rs ~502bn L1 value...

Market Share (%)	FY18	FY19	FY20	FY21TD	FY18-FY21TD	L1/Cost (%)	L1/L2 (%)
Megha	-	-	2.6	16.1	3.3	13.3	-8.5
GRIL	4.1	18.5	10.3	12.6	10.2	20.6	-6.8
Gawar	1.7	4.9	4.7	6.4	3.8	14.4	-6.8
DRA	2.0	0.4	8.2	6.4	3.3	21.6	-9.6
Adani	0.9	6.4	7.1	4.2	3.8	38.6	-5.6
Dhaya Maju	-	-	3.5	3.4	1.1	-1.1	-4.3
Montecarlo	1.9	1.3	2.8	2.9	2.1	28.7	-0.1
Varaha	-	0.7	-	2.9	0.7	3.4	-1.0
Shankaranarayana	-	-	-	2.5	0.4	11.0	-4.8
RKC Infra	-	-	-	2.4	0.4	15.0	-3.5
Ravi Infra	-	-	-	2.0	0.4	-6.8	-3.8
Centrodostroy	0.4	-	-	1.9	0.5	0.0	-15.1
GHV	1.6	1.4	-	1.4	1.3	-7.3	-4.4
YFC Projects	0.2	-	-	1.3	0.3	0.7	-4.1
BANSAL	-	-	-	1.2	0.2	14.0	-8.6
Power Mech	-	-	-	1.1	0.2	-6.7	-12.2
PATH	-	-	1.7	1.1	0.4	18.5	-7.5
Other Unlisted (%)	33.7	40.1	30.7	-	31.0	-	-
<b>Total Unlisted (%)</b>	<b>46.5</b>	<b>73.7</b>	<b>71.7</b>	<b>69.8</b>	<b>61.3</b>	<b>13.7</b>	<b>-6.8</b>
<b>Total Listed (%)</b>	<b>53.5</b>	<b>26.3</b>	<b>28.3</b>	<b>30.2</b>	<b>38.7</b>	<b>5.0</b>	<b>-6.5</b>
<b>Total Award (%)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>
<b>Total Award (Rs bn)</b>	<b>1,191</b>	<b>700</b>	<b>437</b>	<b>502</b>	<b>2,831</b>	<b>-</b>	<b>-</b>

Source: HSIE Research; \*driven by NHIDCL Rs 40bn Zijila tunnel award; L1 value, not NHAI cost

The unlisted players who bagged awards in FY21TD accounted for 34/40/41% market share in FY18/19/20. Hence, there has been steady entry of new players in the unlisted space as incumbents focus on execution of projects won

A new player, Shankaranarayana, won a HAM in Karnataka for Rs 12.7bn, beating the likes of other major established players who also bid

L1/NHAI cost is much higher for unlisted players at 13.7% vs 5% for listed in FY21TD awards overall

**Infrastructure: Sector Thematic**

As we can see from exhibit, the share of listed players has come down post FY18. A part of the reason is that large population of infra players are unlisted. Multiple unlisted players can boast of strong balance sheets, bid appetite, and regional advantage

Some of the larger players in the unlisted space include Megha Engineering, GR Infra, Gawar Infra, DRA, Monte Carlo, etc.

We believe most of these players have headroom on their balance sheets to bid for more projects, and are likely to see major wins on the back of a robust bid pipeline in 2HFY21

**While listed players contributed 30%...**

Market Share (%)	FY18	FY19	FY20	FY21TD	FY18-FY21TD	L1/Cost (%)	L1/L2 (%)
DBL	14.2	2.7	0.8	11.4	8.8	4.3	-9.4
PNC	1.0	5.1	13.3	5.7	4.7	7.5	-10.0
L&T	4.9	-	-	3.7	2.7	-6.3	-2.4
IRB	4.2	-	-	3.4	2.4	38.8	-3.0
Sadbhav	4.1	-	-	3.1	2.3	-6.9	-1.7
ABL	5.4	1.8	4.4	2.8	3.9	-14.0	-3.8
HGINFRA	0.7	3.4	4.0	-	1.8	-	-
ITDC	-	-	4.1	-	0.6	-	-
RInfra	8.2	-	-	-	3.4	-	-
NCC	0.7	-	1.8	-	0.6	-	-
KNR	4.3	1.2	-	-	2.1	-	-
Welspun	1.3	2.6	-	-	1.2	-	-
JMC	0.7	-	-	-	0.3	-	-
IRCON	1.5	-	-	-	0.6	-	-
Jkumar	-	4.1	-	-	1.0	-	-
Simplex	0.9	-	-	-	0.4	-	-
Gayatri Projects	1.5	5.2	-	-	1.9	-	-
<b>Total Listed (%)</b>	<b>53</b>	<b>26</b>	<b>28</b>	<b>30</b>	<b>39</b>	<b>5.0</b>	<b>-6.5</b>
<b>Total Unlisted (%)</b>	<b>47</b>	<b>74</b>	<b>72</b>	<b>70</b>	<b>61</b>	<b>13.7</b>	<b>-6.8</b>
<b>Total Award (Rs bn)</b>	<b>1,191</b>	<b>700</b>	<b>437</b>	<b>502</b>	<b>2,831</b>	<b>-</b>	<b>-</b>

Source: HSIE Research

**Major unlisted players yet to win any major road award in FY21**

Market Share (%)	FY18	FY19	FY20	FY18-FYTD21
Apco	2.30	5.78	-	2.40
Patel	4.44	-	-	1.87
KMC	2.61	1.88	-	1.56
MEP	3.16	-	-	1.33
Oriental	1.64	2.32	-	1.26
Brij Gopal	2.11	1.06	-	1.15
KCC Buildcon	-	2.68	3.00	1.13
NKC	-	3.77	-	0.93
Shapoorji Pallonji	2.02	-	-	0.85
DP Jain	-	3.21	-	0.79
Ram Kripal Singh	-	1.83	2.20	0.79
Jiangxi	-	-	5.04	0.78
Krishna Construction	-	1.40	1.50	0.58
VRC	-	2.19	-	0.54
Raj Path Infra	-	-	3.14	0.48
CEIGALL	0.37	0.21	1.51	0.44
BSCPL	0.30	0.94	-	0.36
JM mhatre infra	-	-	2.24	0.35
SunCon	-	-	1.96	0.30
Tata Projects	-	-	2.18	0.34

Source: HSIE Research; 2 cancelled bids later awarded to PNC removed



**Major FY21TD EPC awards**

*Leaving aside some stray bids, EPC L1's are higher than NHAI cost*

*We had seen past bidding at even 10-20% discount to NHAI cost. This round seems to have lesser competitive intensity*

*Bigger EPC players like L&T also bidding conservatively augurs well for profitability*

Project	Project cost (Rs Bn)	L1 / Cost (%)	L1/L2 (%)	L1/L3 (%)	L1	L2, L3
4 laning of Channarayanapatna Bypass	6.0	7.2	-12.2	-16	Power Mech	SRK , KMC
Ahmedabad - Dholera Pkg-4	7.5	-16.5	-11.2	-12.8	DRA	GHV , NKC
Ahmedabad - Dholera Pkg-3	7.5	7.9	-4.4	-9.5	GHV	DRA , Sadbhav
Ahmedabad - Dholera Pkg-2	9.1	3.6	-1.9	-2.2	Sadbhav	GRIL , Joint Stock Company
Ahmedabad - Dholera Pkg-1	7.7	12.3	-1.4	-10	Sadbhav	Gawar , GRIL
Rajasthan/Gujarat Border Amritsar Jamnagar 1	5.2	12.4	-6	-8.3	Ravi Infra	NG Projects , NKC
Rajasthan/Gujarat Border Amritsar Jamnagar 3	6.0	5.8	-0.6	-6.4	Varaha	CDS , Ravi Infra
Rajasthan/Gujarat Border Amritsar Jamnagar 2	5.7	3.0	-1.9	-2.8	Ravi Infra	CDS , NKC
Meerut to after bridge	5.9	-1.9	-5.9	-10.1	DRA	Gawar , YFC Projects
Delhi Vadodara Pkg 31	8.0	1.6	-9.9	-10.9	PNC	Ranjit Buildcon , Gayatri Projects
Delhi Vadodara Pkg 30	8.3	-8.9	-1.2	-3.8	Varaha	Jiangxi , HGINFRA
Delhi Vadodara Pkg 29	7.8	3.0	-10.9	-11.2	PNC	Ranjit Buildcon , Varaha
Delhi Vadodara Pkg 22	10.2	2.9	-0.6	-1.5	L&T	GHV , ABL
Delhi Vadodara Pkg 13	9.4	0.0	-15.1	-28.1	Centrodostroy	ABL , Sadbhav
Delhi Vadodara Pkg 12	10.5	-1.7	-6.8	-9.8	GRIL	ABL , L&T
Delhi Vadodara Pkg 11	9.9	11.1	-4.4	-9.1	L&T	Ranjit Buildcon , GRIL
Delhi Vadodara Pkg 16	6.5	-0.7	-4.1	-8.7	YFC Projects	Ranjit Buildcon , GRIL
Delhi Vadodara Pkg 14	7.9	1.1	-2.6	-12.5	Dhaya Maju	DRA , Varaha
Delhi Vadodara Pkg 10	9.2	1.2	-5.7	-8.6	Dhaya Maju	CDS , L&T
Zojilla Tunnel	44.3	-1.8	-9.3	-35.6	Megha	L&T , Ircon Apco JV
Digha to Deedarganj	5.9	-2.0	-3.4	-13.8	GRIL	PNC , Gawar
Sahibganj - Manihari	21.2	11.8	-15.1	-23.3	DBL	SP Singla , L&T
4 laning of Pararia to Mohania NH319 (Pkg 2)	8.2	-15.7	-5.3	-11.8	ABL	Joint Stock Company, YFC Projects
4 laning of Arrah to Pararia NH319 (Pkg 1)	8.0	-12.2	-2.3	-8.5	ABL	Ram Kripal Singh, CEIGALL

Source: HSIE Research, Industry

*Large developers' universe needs to diversify outside home markets to remain relevant and deliver long-term sustainable growth*

*DBL, GR Infra have presence across India*

## Regional market share – living in the comfort zone may prove to be growth dilutive

- In the below exhibit, we highlight developers focusing on their domiciled markets for order wins. PNC and KNR have been focusing on winning NHAI projects in northern and southern India respectively.
- Whilst it is easy to manage projects in strongholds with better margins, on more extended strategic directions, it becomes growth dilutive. Single-segment and extensive presence in the single market make the growth vulnerable once bidding slows down. To address this KNR has diversified into irrigation and PNC is looking at adding water segment, with a recent small win of Rs 2.9bn in UP.
- DBL seems to be only listed player who has pan India presence and broad non-roads mix in the order backlog. As DBL has achieved segment and regional diversification, the next step for it is balance sheet deleveraging.
- Amongst unlisted players, GR Infra and Megha are bidding across regions and winning projects.

### Region-wise market share of select players

In %	FY18				FY19				FY20				FYTD21			
	N	E	S	W	N	E	S	W	N	E	S	W	N	E	S	W
Players																
ABL	0.7	4.8	10.1	3.8	-	-	7.4	-	-	-	23.5	-	-	15.6	-	-
Adani	-	6.0	-	-	-	-	26.7	-	3.9	-	27.6	-	-	-	24.3	-
Apco	5.7	-	3.6	-	10.7	-	-	-	-	-	-	-	-	-	-	-
Brij Gopal	4.2	5.5	-	1.5	2.0	-	-	-	-	-	-	-	-	-	-	-
CEIGALL	1.8	-	-	-	0.4	-	-	-	3.1	-	-	-	-	-	-	-
DBL	6.0	16.1	23.6	9.1	0.6	-	7.1	3.6	-	-	4.4	-	-	41.5	13.2	3.9
Dhaya Maju	-	-	-	-	-	-	-	-	-	-	-	17.4	-	-	-	7.6
DRA	-	4.1	0.9	3.3	-	-	-	2.0	1.3	45.9	10.8	-	22.7	-	-	4.0
Gawar	5.0	-	-	2.1	9.0	-	-	-	9.6	-	-	-	-	36.1	-	-
Gayatri Projects	5.6	2.3	-	-	7.3	-	2.5	3.7	-	-	-	-	-	-	-	-
GHV	-	-	2.9	1.9	2.6	-	-	-	-	-	-	-	-	-	-	3.1
GRIL	3.6	2.8	1.5	7.7	31.5	-	-	7.4	19.2	-	-	4.4	-	6.8	-	25.6
HGINFRA	2.4	-	-	0.8	4.9	-	-	4.1	2.3	-	-	14.4	-	-	-	-
IRB	-	-	8.0	4.7	-	-	-	-	-	-	-	-	-	-	-	7.7
Jiangxi	-	-	-	-	-	-	-	-	8.0	-	-	5.5	-	-	-	-
KCC Buildcon	-	-	-	-	2.5	-	-	7.0	0.6	22.2	-	-	-	-	-	-
KMC	2.8	4.9	4.1	-	-	-	7.8	-	-	-	-	-	-	-	-	-
KNR	-	-	13.3	-	-	-	5.0	-	-	-	-	-	-	-	-	-
Krishna Const.	-	-	-	-	-	-	-	7.4	-	12.3	-	-	-	-	-	-
L&T	16.4	8.1	-	1.3	-	-	-	-	-	-	-	-	9.7	-	-	4.0
Montecarlo	-	6.1	-	3.2	-	-	-	7.1	-	-	-	14.1	-	-	-	6.6
NCC	-	2.1	1.3	-	-	-	-	-	3.6	-	-	-	-	-	-	-
Oriental	-	-	5.0	-	4.3	-	-	-	-	-	-	-	-	-	-	-
PNC	4.8	-	-	-	6.6	-	6.4	-	27.0	-	-	-	12.7	-	-	6.9
Raj Shyama	-	-	-	-	-	-	-	2.7	1.1	-	-	-	-	-	-	-
Ram Kripal Singh	-	-	-	-	-	63.7	-	-	-	18.0	-	-	-	-	-	-
RInfra	0.3	11.0	2.0	17.8	-	-	-	-	-	-	-	-	-	-	-	-
Sadbhav	4.1	-	1.3	8.7	-	-	-	-	-	-	-	-	-	-	-	7.0
Tata Projects	-	-	-	-	-	-	-	-	4.4	-	-	-	-	-	-	-
Welspun	-	-	4.0	-	-	-	10.9	-	-	-	-	-	-	-	-	-
Megha	-	-	-	-	-	-	-	-	-	-	14.1	-	44.0	-	41.5	-
Others	36.5	26.2	18.4	34.0	17.7	36.3	26.1	55.0	15.9	1.7	19.6	44.1	10.9	-	21.1	23.6
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: HSIE Research, N – North, E – East, S – South, W – West

## Bid win ratio – good successes in domiciled regions

- Larger players with a strong regional foothold, good execution capabilities and balance sheet strength can maintain consistent bid-win ratios. Although win probabilities increase in the domiciled regions owing to substantial cost and competitive advantages.
- Amongst the large listed players, PNC enjoys the best ratios, while amongst the unlisted ones, DRA, GR Infra and Gawar stand out.

### Region-wise yearly bid-win ratios

	FY18				FY19				FY20				FYTD21				Total			
	N	E	S	W	N	E	S	W	N	E	S	W	N	E	S	W	FY 18	FY 19	FY 20	FYTD 21
ABL	1.00	0.24	0.28	0.13	-	-	0.69	-	-	-	0.31	-	-	1.00	-	-	0.22	0.06	0.10	0.17
Adani	-	1.00	-	-	-	-	0.42	-	0.13	-	0.26	-	-	-	0.31	-	1.00	0.30	0.17	0.09
Apco	0.17	-	1.00	-	0.23	-	-	-	-	-	-	-	-	-	-	-	0.13	0.22	-	-
Brij Gopal	0.29	0.39	-	0.21	0.43	-	-	-	-	-	-	-	-	-	-	-	0.29	0.43	-	-
CEIGALL	0.57	-	-	-	1.00	-	-	-	0.37	-	-	-	-	-	-	-	0.57	1.00	0.37	-
DBL	0.25	0.30	0.44	0.19	0.05	-	0.53	0.07	-	-	0.14	-	-	1.00	0.46	0.18	0.31	0.14	0.02	0.43
Dhaya Maju	-	-	-	-	-	-	-	-	-	-	-	0.78	-	-	-	1.00	-	-	0.78	1.00
DRA	-	0.36	1.00	0.25	-	-	-	0.12	0.07	1.00	1.00	-	1.00	-	-	0.15	0.26	0.05	0.30	0.18
Gawar	0.37	-	-	1.00	0.29	-	-	-	0.34	-	-	-	-	0.59	-	-	0.35	0.28	0.34	0.21
Gayatri Projects	0.52	0.10	-	-	1.00	-	1.00	1.00	-	-	-	-	-	-	-	-	0.21	1.00	-	-
GHV	-	-	0.38	0.42	0.45	-	-	-	-	-	-	-	-	-	0.41	-	0.39	0.32	-	0.26
GRIL	0.05	0.07	0.03	0.15	0.36	-	-	0.07	0.27	-	-	0.06	-	0.09	-	0.42	0.08	0.25	0.19	0.25
HGINFRA	1.00	-	-	0.05	0.31	-	-	0.06	0.34	-	-	0.50	-	-	-	-	0.13	0.16	0.44	-
IRB	-	-	0.16	0.08	-	-	-	-	-	-	-	-	-	-	0.42	-	0.11	-	-	0.13
Jiangxi	-	-	-	-	-	-	-	-	1.00	-	-	0.27	-	-	-	-	-	-	0.63	-
KCC Buildcon	-	-	-	-	0.20	-	-	0.65	0.12	1.00	-	-	-	-	-	-	-	0.31	0.27	-
KMC	0.30	0.27	0.21	-	-	-	1.00	-	-	-	-	-	-	-	-	-	0.24	1.00	-	-
KNR	-	-	0.16	-	-	-	0.07	-	-	-	-	-	-	-	-	-	0.15	0.06	-	-
Krishna Construction	-	-	-	-	-	-	-	0.72	-	0.57	-	-	-	-	-	-	-	0.72	0.17	-
L&T	0.63	0.23	-	0.04	-	-	-	-	-	-	-	-	0.17	-	-	0.29	0.21	-	-	0.16
Montecarlo	-	0.10	-	0.09	-	-	-	0.24	-	-	-	0.37	-	-	-	0.31	0.07	0.06	0.13	0.11
NCC	-	1.00	0.08	-	-	-	-	-	1.00	-	-	-	-	-	-	-	0.09	-	0.29	-
Oriental	-	-	0.14	-	1.00	-	-	-	-	-	-	-	-	-	-	-	0.08	0.41	-	-
PATH	-	-	-	-	-	-	-	-	1.00	-	-	-	1.00	-	-	-	-	-	1.00	1.00
PNC	0.26	-	-	-	0.28	-	1.00	-	0.54	-	-	-	0.66	-	-	0.61	0.22	0.32	0.41	0.55
Raj Shyama	-	-	-	-	-	-	-	1.00	1.00	-	-	-	-	-	-	-	-	0.56	1.00	-
Ram Kripal Singh	-	-	-	-	-	0.63	-	-	-	1.00	-	-	-	-	-	-	-	0.63	1.00	-
RInfra	0.01	1.00	0.18	0.90	-	-	-	-	-	-	-	-	-	-	-	-	0.48	-	-	-
Sadbhav	0.28	-	0.03	0.20	-	-	-	-	-	-	-	-	-	-	0.16	-	0.13	-	-	0.16
Tata Projects	-	-	-	-	-	-	-	-	0.22	-	-	-	-	-	-	-	-	-	0.22	-
Welspun	-	-	0.25	-	-	-	0.14	-	-	-	-	-	-	-	-	-	0.12	0.12	-	-
Megha	-	-	-	-	-	-	-	-	-	-	1.00	-	1.00	-	0.61	-	-	-	1.00	0.78

Source: HSIE Research

## Unlisted players remain fundamentally strong – with robust profitability and NWC

### The credit rating of select unlisted players and rating rationale highlights

Player	Credit Rating	SPVs / JVs	Rating Rationale Highlights
GR Infraprojects	CRISIL AA/ Positive (Oct-19)	<p><b>9 SPVs of which 2 SPVs are operational (1 BOT, 8 HAMs - 1 operational &amp; 7 Under-construction):</b></p> <ul style="list-style-type: none"> <li>Nagaur Mukundgarh Highways</li> <li>G R Phagwara Expressway</li> <li>Varanasi Sangam Expressway</li> <li>Porbandar Dwarka Expressway</li> <li>GR Gundugolanu Devarapalli Highway</li> <li>GR Sangli Solapur Highway</li> <li>GR Akkalkot Solapur Highway</li> <li>GR Dwarka Devariya Highway</li> <li>Reengus Sikar Expressway (BOT)</li> </ul>	<ul style="list-style-type: none"> <li>Established emulsion manufacturing plants in Udaipur and Guwahati with a capacity of 30,000 MT per annum each</li> <li>Capacities for bitumen processing, thermoplastic road-marking paint &amp; road signage, fabrication &amp; galvanisation unit for metal crash barriers.</li> <li>A strong owned fleet of equipment and vehicles</li> <li>Order book of Rs 195bn on Mar-19 (roads predominantly)</li> <li>38% CAGR over the past 3 years</li> <li>track record of completing projects ahead of schedule</li> <li>geographically well-diversified across 12 states.</li> <li>healthy margins of over 17% over the past 3 years</li> <li>Gearing, TOL/TNW and Debt/EBITDA were healthy at 0.75, 1.06 and 1.58 times, as on 31st March 2019.</li> <li>Interest coverage around 5 times over the medium term</li> <li>the strategy of divesting stake in its HAM projects</li> <li>30% of orders comprise EPCs of its own HAM projects</li> <li>diversified into railway EPC business in last one year</li> <li>Cash accrual expected to remain at around Rs 800 crore over the medium term. Debt obligation of around Rs 200 crore, per fiscal over FY20/FY21.</li> <li><b>FY19 Rev/EBITDA/PAT: Rs 50/10.6/0.6bn (Std)</b></li> <li><b>FY19 Gearing(incl. MA) /Interest coverage: 0.53/10 (Std)</b></li> </ul>
		<p><b>HAM SPVs:</b></p> <ul style="list-style-type: none"> <li>Gawar Rohna Jhajjar Highway Pvt Ltd (93% till Dec-19)</li> <li>Gawar Khajuwala BAP Highway Pvt Ltd (32% till Dec-19)</li> <li>Gawar Narnaul Highway Pvt Ltd(30% till Dec-19)</li> <li>Gawar Rohna Sonapat Highways Pvt Ltd(AD in Jan-20)</li> </ul>	<ul style="list-style-type: none"> <li>Revenue grew at a compound annual rate of 34% over 5 years</li> <li>Received two large EPC orders in Nov-19 worth Rs 28bn from UPEIDA, (funded by a consortium of banks led by BoB). It further has 4 HAMs ( 3 in Haryana and 1 in Rajasthan).</li> <li>Has executable orders worth Rs 104bn (over and above this, there are about Rs 30bn orders awaiting AD) as on Jan-20</li> <li>Gearing and TOL/TNW ratio of 0.08 time and &lt;1.4 times as on Sep-19</li> <li>Class-1 contractor status with several state governments</li> <li>Track record of executing projects before the scheduled timeline; received early completion bonus of Rs 280mn in FY19 and Rs 400mn in FY20.</li> <li>Operating margin gradually improved from 11.8% in fiscal 2018 to 13.3% in fiscal 2019 to around 15% in 9MFY20</li> <li>Equity funding requirement of around Rs 4,250mn for 4 HAMs</li> <li>Moderate Capex requirement of around Rs 1bn annually</li> <li>Not relied on interest-bearing mobilisation advance in the past</li> <li>Accrual, expected to remain over Rs 5bn repayment of Rs ~0.5bn</li> <li><b>FY19 Rev/EBITDA/PAT: Rs 38.5/5.1/4.1bn (Std)</b></li> <li><b>FY19 Gearing(incl. MA) /Interest coverage: 0.13/30 (Std)</b></li> </ul>
DRA	Ind-Ra A+/ Stable (Aug-20)	<ul style="list-style-type: none"> <li>DRA-Puna Hinda JV (89%)</li> <li>DRA-Agarwal-Rahee JV(50%)</li> <li>DRA-Bramhaputra Consortium Ltd. JV(51%)</li> <li>DRA - CICO JV(9%)</li> <li>DRA - RK JV(51%)</li> <li>DRA - Sbipl JV(65%)</li> <li>DRA - Kiran Nsp JV(52%)</li> <li>DRA GKCPi Mps JV(51%)</li> <li>DRA - SGCCL Ancpl JV(34%)</li> <li>DRA - Kiran JV(55%)</li> <li>DRA-BIPL JV(75%)</li> <li>DRA-MMK JV(51%)</li> <li>DRA-Ankita(51%)</li> <li>DRA-VCL(30%)</li> <li>DRA - Amar JV(26%)</li> <li>DRA - S&amp;P(40%)</li> </ul>	<ul style="list-style-type: none"> <li>DRAIPL is developing 4 HAM projects, with a total equity investment of INR5,915mn over FY21-FY24</li> <li>Executed 2 of its HAM projects (Munabao-Tanot and Salasar Nagaur) 13months ahead of schedule, while the 3<sup>rd</sup> HAM project (Barmer-Jalore) was completed 5months ahead of schedule.</li> <li>Company to remain net cash on a standalone basis over the medium term</li> <li>Revenue CAGR of 27.8% over FY16-FY20 (FY20: up 15.3% YoY).</li> <li>EBITDA margin expanded to 14.0%</li> <li>Executed projects of over INR120bn across sectors</li> <li>At Mar-20, the unexecuted order book of INR86bn (3.3x FY20 revenue). The company is developing INR77bn of these projects on a standalone basis, while the balance projects are being executed through the JVs.</li> <li>Received orders worth INR64bn as of mid-Aug-20</li> <li>87.1% of the orders are in the roads, bridges and highways segments.</li> <li>Geographically concentrated with Rajasthan (19%), West Bengal (19%), Haryana (17%), Delhi (12%) and Arunachal Pradesh (9%) accounting 77%</li> <li>Manageable repayments of INR395 million in FY21</li> <li><b>FY20 revenue/EBITDA: Rs 26/3.6bn (Std)</b></li> <li><b>FY20 net leverage/interest coverage: nil/19.2 (Std)</b></li> </ul>

Source: HSIE Research

Player	Credit Rating	SPVs / JVs	Rating Rationale Highlights
<b>Apco Infratech</b>	CRISIL A-/ Stable (Sep-19) CARE A-/ Stable (Mar-20)	NA. 4 HAMs	<ul style="list-style-type: none"> <li>AIPL's total order book, including L1 projects, stands at Rs 149bn (6.16x FY19) and consists of 21 projects, with top 5 projects constituting &gt;50%. OB concentration from (UP+NCR) has remained high at 67.36% as on Jan-20.</li> <li>Recently awarded Z-Morh tunnel project in J&amp;K on DBFOT basis</li> <li>Unexecuted order book as on Jan-20, stood at Rs.124bn</li> <li>During 9MFY20, the company has reported a total income of Rs 20bn with PBILDT of Rs 3.47bn (PBILDT margin of 17.22%).</li> <li>Going forward, the gearing ratio is projected to revert to 1.20x as on Mar-20 on account of the higher mobilisation advances for executing the newly awarded contracts.</li> <li>4 HAM projects under execution, which entail a commitment of Rs 4.8bn. Apco has already infused Rs 3.28bn as on Nov-19.</li> <li>The company projects gross cash accruals of Rs 3.5-4.5bn as against obligations of Rs.2.25-4.25bn towards equity and principal repayments.</li> <li><b><u>FY19 revenue/EBITDA/PAT: Rs 20/3.6/1.7bn (Std)</u></b></li> <li><b><u>FY20 Gearing(incl. MA): ~1.2</u></b></li> </ul>
<b>Montecarlo</b>	Ind-Ra A+/ Stable (Jun-20)	NA. 4 HAMs	<ul style="list-style-type: none"> <li>Net leverage ((adjusted debt – cash)/EBITDAR) improving to 0.5x in FY20 (FY19: 1.4x, FY18: 1.6x) and interest coverage to 4.6x (4.5x, 3.3x)</li> <li>MCL had an order book of Rs 78bn at FY20, (2.6x of FY20 revenue).</li> <li>Highway segment contributing around 71%, mining comprising 10.5% while the railways and B&amp;F segments constituting 7.4%, 7%, respectively.</li> <li>Geographically diversified across 13 states with Maharashtra, West Bengal and Odisha constituting 45%, 15% and 14%</li> <li>Near term maturities of Rs 866mn and Rs 825mn in FY21 and FY22</li> <li>Positive FCF of Rs 2.2 bn in FY20 (FY19: Rs 235 mn).</li> <li>4 projects based on HAM, for which it has total equity commitments of around Rs 4.2 bn till FY24, of which Rs 1.6bn infused at end-Mar-20.</li> <li>Filed a DRHP valid till Jan-21, and plans to raise around Rs 5.5bn</li> <li><b><u>FY20 Rev/EBITDA: Rs 29.6/3.85bn (Std)</u></b></li> <li><b><u>FY20 Gearing(incl. MA)/Debt: 0.5x/Rs 2.57bn</u></b></li> <li>Achieved revenue of ~Rs 8bn for 9MFY20. As reported in its provisional financials, the tangible net worth of the company is Rs 2.5bn as on Dec-19, with D/E of 0.6x.</li> <li>The current order book position of ~Rs 30bn which is expected to be complete in the next 24-30 months</li> <li>Derives 90% of revenue from Road segment</li> <li>Majority of the debt is in the form of working capital limits which is repayable on demand, apart from bank guarantees.</li> <li>Executes projects in the states of Maharashtra, Kerala, Madhya Pradesh, Gujarat, Rajasthan, Karnataka, Himachal Pradesh, Assam, Bihar and UP</li> <li><b><u>FY19 Rev/EBITDA/PAT: Rs 12.7/1.38/0.43bn (Std)</u></b></li> <li><b><u>FY19/18 Gearing: 0.7/1.3 (Std)</u></b></li> </ul>
<b>GHV (India)</b>	BWR A+/ Stable (May-20)	NA.	<ul style="list-style-type: none"> <li>Rating factors in the increase in financial linkages between AIL and its parent company, Shapoorji Pallonji and Company Private Limited (SPCPL), with SPCPL undertaking external borrowing on its balance sheet against pledge of AIL's shares held by it.</li> <li>Comfort from the healthy order book position of ~Rs 312bn as on 30th September 2019 (3.6x FY2019 revenues)</li> <li>Surface transport (rail, road and bridges - accounting for 37% of order book as on 30th September 2019), tunnelling and hydro projects (20%), marine and industrial (17%), metro (16%) and oil and gas (10%).</li> <li>The order book is geographically well-diversified and spread across eleven states accounting for 72% of OB and 11 countries - 28% of the order book.</li> <li>AIL's TOL/TNW has increased from 4.05x as on Mar-19 to 4.40x as on Sep-19, on account of elongation of the receivable cycle for few clients, which are funded through mobilisation advances and stretching its payables.</li> <li>The margins have declined in FY2019 due to loss of ~Rs 970mn AIL booked on its Chennai Metro project and a high proportion of sub-contracting expenditure (37% of revenue vs 20%).</li> <li><b><u>FY19 revenue/EBITDA %/PAT: Rs 87.4bn/8.2%/Rs 2.34bn</u></b></li> <li><b><u>FY19 TOL/TNW: 4.21x, debt/EBITDA: 2.28, interest coverage: 2.52</u></b></li> </ul>
<b>Afcons Infrastructure</b>	ICRA AA-/ Negative (Feb-20)	NA.	<ul style="list-style-type: none"> <li>Rating factors in the increase in financial linkages between AIL and its parent company, Shapoorji Pallonji and Company Private Limited (SPCPL), with SPCPL undertaking external borrowing on its balance sheet against pledge of AIL's shares held by it.</li> <li>Comfort from the healthy order book position of ~Rs 312bn as on 30th September 2019 (3.6x FY2019 revenues)</li> <li>Surface transport (rail, road and bridges - accounting for 37% of order book as on 30th September 2019), tunnelling and hydro projects (20%), marine and industrial (17%), metro (16%) and oil and gas (10%).</li> <li>The order book is geographically well-diversified and spread across eleven states accounting for 72% of OB and 11 countries - 28% of the order book.</li> <li>AIL's TOL/TNW has increased from 4.05x as on Mar-19 to 4.40x as on Sep-19, on account of elongation of the receivable cycle for few clients, which are funded through mobilisation advances and stretching its payables.</li> <li>The margins have declined in FY2019 due to loss of ~Rs 970mn AIL booked on its Chennai Metro project and a high proportion of sub-contracting expenditure (37% of revenue vs 20%).</li> <li><b><u>FY19 revenue/EBITDA %/PAT: Rs 87.4bn/8.2%/Rs 2.34bn</u></b></li> <li><b><u>FY19 TOL/TNW: 4.21x, debt/EBITDA: 2.28, interest coverage: 2.52</u></b></li> </ul>

Source: HSIE Research

**Infrastructure: Sector Thematic**

Player	Credit Rating	SPVs / JVs	Rating Rationale Highlights
<b>Megha Engineering &amp; Infrastructures</b>	Ind-Ra AA-/Stable (Jul-20)	Western UP Power Transmission Company Limited (WUPPTCL) and SEPC Power Private Limited (SEPC) are the two primary special purpose vehicles (SPVs) floated by MEIL.	<ul style="list-style-type: none"> <li>Revenue increased at a CAGR of 23.6% over FY15- FY20.</li> <li>Closing order book of Rs 880.8bn, as of March 2020 (4.9x of FY20 revenue; FY19 OB: INR773.6 billion); strong inflow of INR308.7 bn during FY20</li> <li>Company has forayed into various new divisions such as oil &amp; gas, power sector, city gas distribution, manufacturing and operations of EVs, wherein competition is relatively limited.</li> <li>Executed complex projects such as WUPPTCL and the Kaleshwaram Lift</li> <li>Strong CFO (FY20: INR18.1 billion; FY19: INR25.8 billion), majorly on account of upstreaming of cash flows from WUPPTCL</li> <li>Negative net debt in FY20 (FY19: negative net debt) and strong interest coverage (EBITDA/finance cost) of 12.9x (17x).</li> <li>The EBITDA margin was almost stable at 16.5% in FY20 (FY19: 16.7%).</li> <li>Strong operational performance, mainly due to the execution of the Kaleshwaram, Palamuru irrigation projects and other water supply projects</li> <li>Execution rate is still low at 60%-65% due to the migration of labour force</li> <li>Andhra Pradesh and Telangana account for a major portion of the overall unexecuted order book (59.6% in FY20 vs 72% in FY19). Irrigation-based orders, along with drinking water orders, accounted for 66.5% (FY19: 84%). Top 10 customers accounted for 35%.</li> <li>Exposure to group companies and other related commitments has also increased to INR48.8 billion at end-FY20 from INR41.2 billion in FY19.</li> <li><b>FY20 revenue/EBITDA/PAT/debt: Rs 180/30/26/2.6bn</b></li> </ul>

Source: HSIE Research

**Key financials of select unlisted players**
**Apco (Rs mn)**

Apco	FY15	FY16	FY17	FY18	FY19
Revenue	11,694	12,615	12,168	16,145	20,147
EBITDA	1,345	1,481	1,659	2,730	3,624
EBITDA %	11.5%	11.7%	13.6%	16.9%	18.0%
EBIT	1,168	1,249	1,326	2,272	
APAT	713	620	685	1,269	1,720
Net worth	2,365	2,904	3,510	4,780	
Net Debt	587	1,870	2,363	2,455	
NWC Days	233	260	165	102	
Consol Gross D/E	0.51	0.68	1.54	1.75	
Std Net D/E	0.25	0.64	0.67	0.51	
RoE		23.5%	21.4%	30.6%	
RoCE		32.3%	24.9%	34.7%	
CFO	860	1,314	2,442	2,551	
CFI	(472)	(1,737)	(1,567)	(2,400)	
CFF	(251)	474	(532)	6	
NCF	136	51	344	157	
Capex	532	1,545	1,241	1,116	

Source: Ace Equity, HSIE Research; in INR Mn

**DRA (Rs mn)**

DRA	FY15	FY16	FY17	FY18	FY19
Revenue	8,615	9,749	11,624	19,431	21,832
EBITDA	488	576	875	1,719	1,544
EBITDA %	5.7%	5.9%	7.5%	8.8%	7.1%
EBIT	350	417	635	1,493	
APAT	258	299	425	772	
Net worth	1,601	1,894	2,307	3,071	
Net Debt	(439)	(853)	(549)	(1,013)	
NWC Days	18.5	6.7	(7.1)	(1.0)	
Consol Gross D/E	0.43	0.32	0.32	0.47	
Std Net D/E	(0.27)	(0.45)	(0.24)	(0.33)	
RoE		17.1%	20.2%	28.7%	
RoCE		37.8%	45.4%	78.2%	
CFO	842	685	742	1,434	
CFI	(122)	(177)	(917)	(618)	
CFF	(108)	31	(202)	(373)	
NCF	611	539	(378)	443	
Capex	216	332	605	223	

Source: Ace Equity, HSIE Research; in INR Mn

**Gawar (Rs mn)**

Gawar	FY16	FY17	FY18	FY19
Revenue	13,086	17,495	24,891	38,490
EBITDA	1,010	1,333	2,782	
EBITDA %	7.7%	7.6%	11.2%	
EBIT	840	1,144	2,546	
APAT	552	857	2,709	4,050
Networth	3,137	4,045	6,771	
Net Debt	688	(1,316)	(451)	
NWC Days	45.8	3.8	30.9	
Consol Gross D/E	0.32	0.32	0.47	
Std Net D/E	0.22	(0.33)	(0.07)	
RoE	17.6%	23.9%	50.1%	
RoCE	22.0%	34.9%	56.3%	
CFO	422	793	1,231	
CFI	475	(925)	(1,528)	
CFF	(368)	106	258	
NCF	529	(27)	(39)	
Capex	(456)	893	1,269	

Source: Ace Equity, HSIE Research; in INR Mn

**GHV (Rs mn)**

GHV	FY15	FY16	FY17	FY18	FY19
Revenue	3,353	6,274	7,183	12,310	12,430
EBITDA	466	583	755	1,510	1,550
EBITDA %	13.9%	9.3%	10.5%	12.3%	12.5%
EBIT	305	410	576		
APAT	156	273	300	410	520
Networth	954	1,227	1,528	1,938	2,458
Net Debt	688	781	789		
NWC Days	86.9	53.9	82.3		
Consol Gross D/E	0.95	0.33	0.46		
Std Net D/E	0.72	0.64	0.52		
RoE		25.1%	21.8%	23.7%	23.7%
RoCE		22.4%	26.6%		
CFO	968	655	834		
CFI	(370)	(391)	(579)		
CFF	(503)	(268)	(144)		
NCF	95	(4)	111		
Capex	76	143	492		

Source: Ace Equity, HSIE Research; in INR Mn

**GR Infra (Rs mn)**

GRIL	FY15	FY16	FY17	FY18	FY19	FY20
Revenue	8,765	19,280	31,698	31,047	50,060	61,220
EBITDA	923	2,260	5,412	5,747	10,640	13,350
EBITDA %	10.5%	11.7%	17.1%	18.5%	21.3%	21.8%
EBIT	494	1,823	4,776	4,941		
APAT	320	1,061	4,474	3,992	5,960	6,890
Networth	4,381	5,456	11,387	15,396	20,745	27,635
Net Debt	2,193	2,489	(1,441)	3,781		
NWC Days	98.4	16.6	13.0	47.2		
Con. Gross D/E	2.12	1.83	0.47	0.55		
Std Net D/E	0.50	0.46	(0.13)	0.25		
RoE		21.6%	53.1%	29.8%	33.0%	28.5%
RoCE		25.1%	53.4%	33.9%		
CFO	1,054	2,947	3,767	(41)		
CFI	(558)	(3,146)	1,232	(6,317)		
CFF	(156)	369	(182)	1,664		
NCF	341	170	4,818	(4,694)		
Capex	320	1,461	1,347	2,994		

Source: Ace Equity, HSIE Research; in INR Mn

**KMC Construction (Rs mn)**

KMC	FY15	FY16	FY17	FY18
Revenue	7,847	10,368	12,400	14,521
EBITDA	1,503	1,926	2,088	1,828
EBITDA %	19.2%	18.6%	16.8%	12.6%
EBIT	1,147	1,435	1,680	1,516
APAT	(318)	(281)	340	301
Networth	5,720	7,687	8,116	8,410
Net Debt	6,299	6,126	6,650	5,551
NWC Days	147.1	(23.0)	16.2	64.5
Consol Gross D/E		6.68	8.96	10.57
Std Net D/E		1.10	0.80	0.82
RoE			-4.2%	4.3%
RoCE			11.1%	11.8%
CFO		1,963	7,928	(782)
CFI		97	(107)	(365)
CFF		(2,134)	(7,855)	1,226
NCF		(74)	(34)	79
Capex		(153)	1,708	486

Source: Ace Equity, HSIE Research; in INR Mn

## Megha (Rs mn)

Megha	FY15	FY16	FY17	FY18	FY19
Revenue	62,650	87,570	1,30,090	1,83,180	1,95,020
EBITDA	9,500	14,000	22,660	30,600	32,630
EBITDA %	15.2%	16.0%	17.4%	16.7%	16.7%
EBIT	8,990	13,230	21,660	29,140	27,680
APAT	7,410	11,520	18,170	29,350	27,710
Networth	2,670	3,988	5,805	8,723	11,474
Net Debt	(6,000)	(3,860)	(10,020)	(16,970)	(22,330)
NWC Days	48	62	59	73	80
Consol Gross D/E	0.34	0.29	0.20	0.17	0.22
Std Net D/E	(0.22)	(0.10)	(0.17)	(0.19)	(0.19)
RoE		34.6%	37.1%	40.4%	27.4%
RoCE		46.6%	51.5%	49.3%	34.0%
CFO	4,760	(1,630)	20,490	15,710	21,550
CFI	(830)	1,530	(12,690)	(6,980)	(14,300)
CFF	(1,470)	(1,210)	(3,100)	(2,990)	300
NCF	2,470	(1,310)	4,710	5,740	7,540
Capex	970	1,560	6,100	6,850	9,680

Source: Ace Equity, HSIE Research; in INR Mn

# RoCE = 2\*EBIT/(average net debt + average net worth); debt not adjusted for other interest-bearing liabilities

## Listed players not behind - enjoy healthy book-to-bill

- HSIE coverage universe is also beneficiary of robust ordering over the past five years with most of the developers' implied book-to-bill ratio of 3x+. The strong order backlog has resulted in price discipline and conservative stance on bidding.
- COVID-19 has severely impacted FY21E execution, with growth expectation tapering from 15-20% pre-COVID to -5% to 5% for our coverage companies. The impact on execution was on account of COVID-19 led lockdown in the first half of 1QFY21, and as the lockdown started lifting, labour migration impacted execution. Things are moving towards normalcy and 3QFY21 will be turnaround quarter for the sector with 4QFY21E execution returning to pre-COVID levels.

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

## Book-to-bill of the coverage universe

(Rs mn)	Backlog on 1QFY21 (Rs Mn)	Roads (%)	Non- roads (%)	FY20 Revenue (Rs Mn)	Book to Bill (times)
NCC	2,79,160	9.0	91.0	1,20,798	2.31
Dilip Buildcon	2,61,152	49.7	50.4	90,586	2.88
PNC Infratech	1,55,250	99.0	1.0	30,716	5.05
IRB Infra	1,29,041	100.0	-	51,285	2.52
ITD Cementation	1,17,437	0.1	99.9	25,037	4.69
JMC Projects	1,14,120	38.0	62.0	32,528	3.51
JKIL	1,09,742	7.0	93.0	27,871	3.94
Capacite Infraprojects	1,03,860	-	100.0	17,876	5.81
KNR	98,000	60.3	39.7	21,373	4.59
Ashoka Buildcon	86,168	80.3	19.7	38,374	2.25
Sadbhav Engineering	81,812	71.3	28.7	35,493	2.31
Ahluwalia Contracts	74,520	-	100.0	17,547	4.25
HG Infra	68,314	100.0	-	20,098	3.40
PSP Projects	29,636	-	100.0	10,441	2.84

Source: HSIE Research



**Infrastructure: Sector Thematic**

*With the lockdown lifting announcement and gradual normalisation of inter-state movement, labour has started returning to sites*

*Large part of our coverage universe has labour availability in excess of 75%*

**Reverse labour migration augurs well for execution recovery**

While the labour migrations seem to have abated, pure-play road companies are best placed for recovery. In a road project, about 75% is regular road related works with about 25% of labour requirement. Structure constitutes (viaduct, girders, etc.) about 25% of the project cost, and here the labour requirement is about 75%. The shortage is in this segment as skilled workforce availability is lower vs. unskilled. On a blended basis, our channel checks with listed and unlisted pure-play roads EPC players suggest labour availability of 75-80%. It should be sufficient for the monsoon period (2QFY21) as it is a seasonally weak quarter for execution.

**Management commentary on labour availability for coverage universe**

Company	1QFY21 Result Date	Labour/ Execution	Management's expectation of normalisation	Management Commentary
KPTL	13-Aug-20	90%	mid-3QFY21	Execution efficiency reaching ~90% pre-COVID level (~75-80% execution in May-20).
JMC	13-Aug-20	75%	end-3QFY21	With almost a month loss due to the lockdown, execution is now gradually ramping up with labour improving from 60% to 75% QoQ.
NCC	12-Aug-20	70%	mid-3QFY21	Capacity utilisation level to reach 80-90% by end-2QFY21.
KEC	12-Aug-20	80%	end-3QFY21	Labour availability has improved significantly from 50% to 80% now. Most international sites' execution is at pre-COVID levels, barring SAE.
Dilip Buildcon	15-Aug-20	90%	mid-3QFY21	Labour availability, which had reduced to 65-70%, has improved to 90% currently
L&T	24-Jul-20	80-85%	end-3QFY21	Labour availability has improved from the low of 70k during the lockdown to 1.9L in mid-July.
PSP	05-Aug-20	55-60%	end-4QFY21	70-75% across other states, virtually nil in Maharashtra. Finishing works are progressing well, with more intensive RCC structural works on hold.
KNR	20-Aug-20	55-60%/60-65%	end-4QFY21	~55-60% of the regular labour force (vs 30-40% QoQ) with efficiency at ~60-65% (of peak revenue potential).
Ashoka Buildcon	12-Aug-20	90%/85%	mid-3QFY21	Labour availability has improved to ~90% (from 50-65% QoQ) with sites working at ~85% pre-COVID efficiency (vs. ~50% QoQ).
Capacite	12-Aug-20	45%	end-4QFY21	Return of migrant workers with the numbers improving from 2,000 (third week of June-20) to 4,000 as of now and expected to further ramp-up to 5,000 by Aug-20 end. It is expected to stabilise by 3QFY21 and normalise by 4QFY21
ITD	NA	NA	Result not announced yet	Labour at site has reduced from a peak of 18,000 to 8,500 and reverse migration is expected to normalise by Aug-20 end as inter-State transportation improves.
IRB	24-Aug-20	NA	mid-4QFY21	Most workers have come back; 3-4 months for stabilisation of labour.
PNC	28-Aug-20	90%	mid-3QFY21	Labour availability has improved to 90%, and operations on all sites have commenced. However, sites are operating at lower efficiency as the onset of monsoon has affected execution. PNC expects execution to revert to pre-COVID level by the end of 2QFY21 as monsoon recedes.
HG Infra	18-Aug-20	85%	mid-3QFY21	Labour availability has improved to 85% of the required labour force.
J Kumar	21-Aug-20	60%	mid-4QFY21	High urban order book exposure (~91%) and labour migration halted execution during the first half of 1QFY21. Since then, labour availability has improved from 20% to 60%, and sites are seeing execution ramp-up with near normalisation expected by 3QFY21 (30-40% run rate currently).
Sadbhav Engineering	03-Sep-20	80%	mid-3QFY21	Normalise by Oct-20; target of Rs 100mn/day execution from Oct-20
Ahluwalia	14-Aug-20	40%/45%	end-4QFY21	Labour availability has improved to 40% from 20% at one point of time during the lockdown.

Source: HSIE Research, Respective commentary made during results call, situation may be different now

## The key performance ratios have been improving for listed players

Company	RoE (%)				Net Debt / Equity				Core RoIC (%)				EBITDA Margins			
	FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20	FY17	FY18	FY19	FY20
Ahluwalia Contracts	23.1	20.1	17.3	10.3	-0.06	-0.05	-0.12	-0.15	16.6	19.4	15.6	10.8	12.1%	13.3%	12.3%	8.1%
Ashoka Buildcon	10.3	13.0	13.8	16.1	0.08	0.02	0.33	0.04	22.2	25.6	21.9	15.2	12.1%	12.0%	13.5%	12.7%
Dilip Buildcon	24.8	29.5	26.9	12.2	1.32	1.13	1.06	0.81	18.1	20.5	20.7	12.4	17.8%	16.7%	17.1%	16.3%
IRB Infra	18.4	30.2	18.7	22.7	2.32	1.12	0.91	0.71	28.4	34.0	27.4	33.5	29.6%	29.5%	24.0%	28.8%
ITD Cementation	9.7	16.2	6.8	8.2	0.60	0.41	0.41	0.17	13.3	8.2	6.8	7.5	12.8%	8.6%	10.0%	10.3%
JKIL	7.7	9.2	11.1	10.5	0.24	0.32	0.37	0.37	13.7	14.4	17.1	14.3	15.6%	15.7%	15.7%	14.4%
KNR	16.9	15.8	17.8	14.3	0.09	0.15	0.18	0.11	40.4	38.7	27.1	24.6	14.9%	20.0%	20.0%	21.7%
NCC	8.2	8.1	13.8	8.4	0.43	0.29	0.36	0.33	12.6	13.0	15.8	12.5	8.7%	10.4%	11.8%	12.5%
PNC Infratech	6.9	6.6	7.6	9.4	0.09	0.01	0.03	-0.16	7.9	7.0	11.9	13.9	13.1%	14.4%	14.1%	15.7%
Sadbhav Engineering	11.3	11.8	9.2	3.2	1.06	0.79	0.75	0.53	9.0	12.1	8.4	5.2	10.7%	11.8%	12.1%	12.4%
PSP Projects	48.2	31.7	26.8	31.2	0.19	-0.18	0.02	0.09	58.0	31.4	25.8	28.3	16.4%	13.9%	14.3%	12.7%
JMC Projects	9.0	14.4	16.6	16.7	0.88	0.75	0.74	0.81	17.5	24.3	23.8	23.2	9.1%	10.3%	10.4%	11.1%
HG Infra	35.2	23.5	20.6	22.4	1.06	0.45	0.53	0.31	17.5	14.1	15.1	19.9	11.8%	14.9%	15.1%	15.6%
Capacite Infraprojects	29.5	15.0	12.0	8.5	0.61	-0.02	0.23	0.22	21.5	14.7	11.4	11.2	17.5%	15.2%	13.9%	16.8%
<b>Average</b>	<b>18.5</b>	<b>17.5</b>	<b>15.4</b>	<b>13.2</b>	<b>0.64</b>	<b>0.37</b>	<b>0.41</b>	<b>0.30</b>	<b>21.2</b>	<b>19.8</b>	<b>17.8</b>	<b>16.6</b>	<b>14%</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>

Source: HSIE Research

Roads can be classified into: national highways, expressways, state highways, major district roads and rural roads.

National and state highways constitute only 4.7% of the surfaced roads in India

## NIP program – robust may play out and benefit larger infra companies

### Sectoral allocation and financing of NIP

#### Year-wise sectoral allocation of NIP

Sector (Rs tn)	FY20	FY21	FY22	FY23	FY24	FY25	No phasing	% of Total
Energy	2.3	4.4	4.4	4.7	5.0	4.7	1.4	24%
Roads	3.3	3.8	3.6	2.5	2.4	3.3	1.3	18%
Railways	1.3	2.6	3.1	2.7	2.2	1.7	0.0	12%
Ports	0.1	0.2	0.2	0.2	0.1	0.1	0.4	1%
Airports	0.2	0.2	0.2	0.2	0.3	0.1	0.3	1%
Urban Infra	3.0	4.6	4.0	2.3	2.2	1.6	1.4	17%
Irrigation	1.1	2.0	1.8	1.4	1.2	0.7	0.8	8%
Rural Infra	1.4	1.8	2.1	1.1	1.1	0.3	0.0	7%
Digital Infra	0.8	0.6	0.5	0.4	0.4	0.4	0.0	3%
Agriculture and Food Processing	0.0	0.0	0.0	0.0	0.0	0.0	1.5	2%
Social Infra	0.6	0.8	0.9	0.6	0.5	0.3	0.5	4%
Industrial Infra	0.2	0.4	0.4	0.4	0.2	0.1	1.4	3%
<b>Total</b>	<b>14.4</b>	<b>21.5</b>	<b>21.3</b>	<b>16.5</b>	<b>15.4</b>	<b>13.2</b>	<b>9.0</b>	<b>100%</b>
<b>% of Total</b>	<b>13%</b>	<b>19%</b>	<b>19%</b>	<b>15%</b>	<b>14%</b>	<b>12%</b>	<b>8%</b>	<b>111.3</b>

Source: NIP Report of the Task Force

- The NIP has a front-ended investment phasing as a result of which tangible outputs are expected to be visible by the end of the planned five-year period. Of this, around 79% (Central government – 39%, state – 40%) of the total investments are expected to be contributed by public sector agencies with the balance 21% to be met through private sector investments. Of the total plan, ~40% of the projects are currently under implementation (include expressways, national gas grid and PMAY-G), ~20% are under development (include urban infra, roads and renewable energy), ~30% are under conceptual stage (include renewable energy beyond FY22 and river interlinking), and the balance are unclassified (includes power sector).

#### Historical year-wise sectoral allocation of infra investments

Sector (Rs tn)	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E	% Total
Power	2.3	2.5	2.5	2.7	3.2	2.6	1.9	31%
Roads & Bridges	1	1.1	1.2	1.4	1.8	1.9	1.9	18%
Urban	0.7	0.9	1.1	1.2	1.3	1.7	1.8	15%
Telecommunication	0.4	0.7	1.1	1.6	1.1	1	1	12%
Railways	0.4	0.4	0.4	0.8	0.9	1.3	1.4	10%
Irrigation	0.5	0.5	0.5	0.7	0.8	1	1.2	9%
Airports	0	0.1	0.1	0.1	0.1	0.1	0.1	1%
Ports	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1%
Others	0.1	0.1	0	0.1	0.1	0.5	0.5	2%
<b>Total infra investments (A) Rs Tn</b>	<b>5.3</b>	<b>6.3</b>	<b>7.0</b>	<b>8.5</b>	<b>9.2</b>	<b>10.2</b>	<b>10.0</b>	<b>56.7</b>
Nominal GDP (B)	99.4	112.3	124.7	137.6	153.6	171.0	190.1	988.7
<b>A / B</b>	<b>5.3%</b>	<b>5.6%</b>	<b>5.6%</b>	<b>6.2%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>5.3%</b>	<b>5.7%</b>

Source: NIP Report of the Task Force

- Centre and states were the primary funding sources for power and roads, with moderate participation from the private sector. Telecommunication investments were driven mainly by the private sector, while investments in irrigation sector were predominantly made by the states. In terms of shares, infrastructure investments between fiscals 2013 and 2019 were predominantly made by the public sector, i.e., Centre and state governments (~70%), while the share of the private sector has been ~30%. This split between the public and private sector is in sync with the rest of the world.

## Sources of funding for NIP projects

	Assumptions to projections	% NIP being financed
Centre's budget	Centre's budgetary outlay on capital investments is expected to be around 1.25% of GDP	18-20%
State's budget	State's budgetary outlay on capital investments is expected to be around 1.7% of GDP	24-26%
Internal accruals - PSUs	Projected to suffice for the funding requirements of NIP	1-3%
Banks	Expected to grow at an average rate of 8%	8-10%
Infra NBFCs (PFC, REC, IRFC, IREDA, IIFCL and private sector NBFCs)	Expected to grow at an average rate of 12% for public sector NBFCs and 15% for private sector NBFCs	15-17%
Bond markets	Expected to grow at an average rate of 8%	6-8%
Equity	Expected to grow at an average rate of 15% due to NIIF stepping up the pace of investments	2-4%
Multilaterals/bilateral	Expected to constitute half of the external aid flows	1-3%
Others		3-5%
<b>Total</b>		<b>83-85%</b>
NIP required outlay - (A)		Rs 111 tn
Total sources of financing- (B)		83-85%
Financing gap- (C) = A-B		15-17%
Bridging the gap -- (D)= (a)+(b)+(c)		6-8%
From new DFIs --(a)		2-3%
Asset monetisation-Centre --(b)		2-3%
Asset monetisation-States- (c)		1-2%
Shortfall-E= (C) -(D)		8-10%

Source: NIP Report of the Task Force

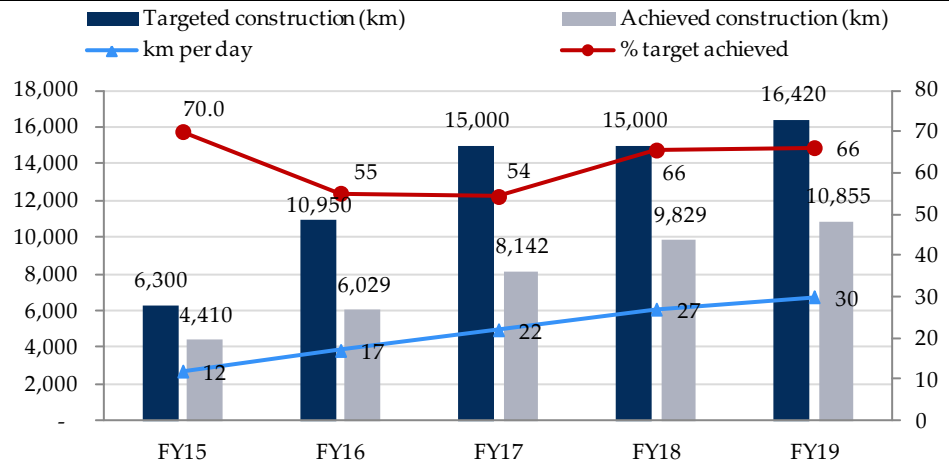
- About 18-20% of the pipeline is expected to be financed through the Centre's budget; About 24-26% is expected to be financed through the state's budget, ~31% would be raised through debt from bond markets, banks and NBFCs; equity from private developers, external aid multilateral and bilateral agencies and internal accruals of PSUs would comprise 4–10%. The existing sources would be able to finance 83–85% of the capital expenditure to be incurred between fiscals 2020 and 2025. Some proportion of the financing gap can be filled through establishing new DFIs and using asset monetisation as a tool to monetise operational assets at both central and state levels.
- **Roads sector current status:** The total road network in India was 59 lakh km as of 31st March 2019. Of this, national highways and expressways comprised 132,500 km and state highways 156,694 km. Major district roads and rural roads accounted for the remaining 56 lakh km. Low private sector participation in NH - 15% (~17,150km).

## Trend in the road network in India (lakh km)

Road network in India (lakh km)	FY15	FY16	FY17	FY18	FY19
National Highways	1.0	1.0	1.0	1.2	1.3
State Highways	1.5	1.5	1.6	1.6	1.6
Other Roads	44.6	49.8	52.1	52.1	56.1
<b>Total</b>	<b>47.1</b>	<b>52.3</b>	<b>54.7</b>	<b>54.9</b>	<b>59.0</b>

Source: NIP Report of the Task Force

**Achievement targets set by MoRTH**



Source: NIP Report of the Task Force

- The rate of construction of national highways has more than doubled (**12km/day to 30km/day**) since fiscal 2015. This can be attributed to the introduction of comparatively de-risked models (for the private sector) such as EPC and HAM, besides policy reforms such as the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, for facilitating the land acquisition, etc. The share of roads sector investment in the overall infrastructure investment was ~17% between fiscals 2013 and 2017, rising at ~16% CAGR.

**NIP vs budgetary allocation**

Rs bn	FY19A	FY20RE	FY21BE	FY20RE/ FY19A %	FY21BE/ FY20RE %
<b>Total MORTH (A)</b>	1,289	1,472	1,470	14.2	(0.1)
NHAI	358	367	425	2.4	15.8
NHAI IEBR	612	750	650	22.5	(13.3)
Non NHAI	318	355	395	11.4	11.3
<b>Investment planned under NIP for FY21 (B)</b>			<b>3,833</b>		
Implementation by Central agencies (C=25%*B)			958		
<b>Outlay to be met through budgetary support (C/A)</b>			<b>153%</b>		

Source: NIP, Budget 2020-21, HSIE; \*We have factored in budgetary allocation for NHAI for implementation of Bharatmala Pariyojana and projects to be undertaken by MoRTH to calculate the outlay on NIP to be met through budgetary support

### Challenges so far

- Delays in achieving FC of new projects as banks are risk averse to the sector
- Delayed award of contracts owing to delays in approvals and clearances; land acquisition cost high at around Rs 23.8mn per hectare
- Issues related to the sanctity of contracts and delayed dispute resolution; most contracting agencies invariably appeal against arbitration awards and lose.
- Need for rapid asset monetisation
- Need for IT-based infrastructure maintenance and accident monitoring; a higher share of cash collection resulting in revenue leakages and congestion at toll plazas

### Vision 2025

- About 1,820 projects have been identified to be implemented in 2020-25. The total Capex for these projects by the Centre is estimated at Rs 13.8tn over fiscals 2020 to 2025. The projects include the construction of new expressways such as Delhi-Mumbai Expressway, Bengaluru-Chennai Expressway, etc. Several projects being implemented include four laning/ two laning or widening of existing highways.

*Whilst the NIP Roads Capex outlay seems very aggressive in the wake of COVID-19 impact on Govt revenues we believe even 50% of the budgeted amount will be sufficient to cover book/bill of our research universe*

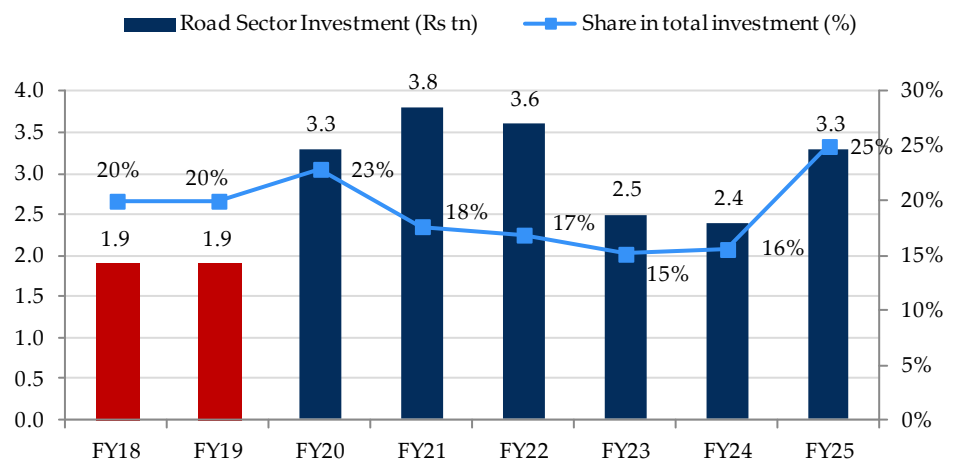
*We remain positive on Infra players with strong balance sheet and funding lines*

#### Capex plan FY20-25

	# Projects	Length (km)	Capex FY20-FY25 (Rs tn)
National Highways	1,815	87,162	12.8
Expressways	5	2,142	1.0
<b>Total Centre</b>	<b>1,820</b>	<b>89,304</b>	<b>13.8</b>
States	-	-	7.8

Source: NIP Report of the Task Force

#### Capex plan FY20-25



Source: NIP Report of the Task Force

- Rs 1tn through asset monetisation by 2024
- Increased use of Fastag/RFID devices to shorten wait time and plug revenue leakages
- Reduce fatalities by 25% (fatality rate of 17 per hour)

## Infrastructure: Sector Thematic

*In the exhibit below, we have highlighted the CRIF FY21BE budget allocation to various Govt Ministries/Programs*

*We have also mapped HSIE estimate of incremental allocation of this Rs 8/ltr cess (Rs 1.02tn) based on historical trends*

## Increase in fuel cess to aid funding of projects

The Central government announced an increase in Road and Infrastructure Cess by Rs 8/ltr, effective 6th May 2020. This shall rake in about Rs 1.02tn (once Economy normalises) as additional cess to be spent on Infrastructure. With this increase, the total cess now stands at Rs 18/ltr, implying about Rs 2.3tn inflow at normal pre-COVID levels. Fuel consumption is expected to slowly ramp up with further relaxation on lockdown and recovery in demand. This shall lead to funds inflow reaching to Rs 2.3tn/annum over next few quarters.

### Capex plan FY20-25

CRIF (Rs cr)	Revised 2018-19 (A)				Budget 2019-20 (BE)			Budget 2019-20 (RE)			
	Revenue	Capital	Total	%	Revenue	Capital	Total	Revenue	Capital	Total	%
Department of Health Family Welfare	1,842	1,953	3,795	4%	2,861	1,139	4,000	2,851	1,139	3,990	4%
PMAY	6,135	-	6,135	7%	6,853	-	6,853	6,853	-	6,853	6%
MHRD, Department of Education , Navyodaya Vidyalayas	2,926	-	2,926	3%	3,068	-	3,068	8,080	-	8,080	7%
National Rural Drinking Water Mission	5,391	-	5,391	6%	7,750	-	7,750	7,750	-	7,750	7%
Ministry of Petroleum - Kerosene Subsidy	-	-	-	0%	1,207	-	1,207	1,552	-	1,552	1%
Power Ministry - Integrated Power Development Scheme	2,813	867	3,680	4%	4,380	900	5,280	4,380	900	5,280	5%
MORTH - NHAI	-	20,036	20,036	23%	-	16,091	16,091	-	16,091	16,091	14%
MORTH ex NHAI	9,243	21,475	30,718	35%	10,488	27,945	38,433	10,384	28,055	38,440	34%
Sagarmala	-	125	125	0%	-	200	200	-	200	200	0%
DOT - Optical Fibre network defence services	-	1,927	1,927	2%	-	4,725	4,725	-	4,725	4,725	4%
Border roads development board	-	-	-	0%	40	1,963	2,003	50	2,100	2,150	2%
Ministry of Railways	-	13,000	13,000	15%	-	15,250	15,250	-	17,250	17,250	15%
<b>Total</b>	<b>28,350</b>	<b>59,383</b>	<b>87,733</b>	<b>100%</b>	<b>36,647</b>	<b>68,213</b>	<b>1,04,861</b>	<b>41,901</b>	<b>70,461</b>	<b>1,12,362</b>	<b>100%</b>

CRIF (Rs cr)	Budget 2020-21 (BE)				FY19A/20RE/21BE		Add. CRIF Allocation	Rev FY21 (BE) Total
	Revenue	Capital	Total	Avg %	Average	Additional CRIF Allocation		
Department of Health Family Welfare	3,732	668	4,400	4%	4%	1,00,000	3,888	8,288
PMAY	8,000	-	8,000	7%	7%		6,660	14,660
MHRD, Department of Education , Navyodaya Vidyalayas	4,817	-	4,817	4%	5%		4,891	9,708
National Rural Drinking Water Mission	7,750	-	7,750	7%	7%		6,572	14,322
Ministry of Petroleum - Kerosene Subsidy	728	-	728	1%	1%		669	1,397
Power Ministry - Intergrated Power Development Scheme	4,400	900	5,300	5%	4%		4,486	9,786
MORTH - NHAI	-	20,750	20,750	18%	18%		18,341	39,091
MORTH ex NHAI	9,304	29,189	38,493	33%	34%		34,122	72,615
Sagarmala	-	-	-	0%	0%		107	107
DOT - Optical Fibre network defence services	-	5,000	5,000	4%	4%		3,569	8,569
Border roads development board	105	2,300	2,405	2%	1%		1,328	3,733
Ministry of Railways	-	18,500	18,500	16%	15%		15,366	33,866
<b>Total</b>	<b>38,836</b>	<b>77,306</b>	<b>1,16,143</b>	<b>100%</b>			<b>1,00,000</b>	<b>2,16,143</b>

Source: HSIE Research, Budget documents

### CRIF increase reflects GOI intent to build Indian Infra

The Ministry of Roads, Transport and Highways (MORTH) has been the biggest beneficiary of the CRIF funds with 50% share of CRIF budget capital outlays. CRIF allocation can be levered 3-4x to raise incremental funds for NHAI program. NIP program also stands to benefit as concerns on funding will recede. Though allocation will only improve if fuel volume recovers and the crude price remains stable at the current level. Any increase in crude prices may result in cess rollback. This is directionally positive for the sector, and any further fiscal stimulus will be the icing on the cake.

*HAM projects monetisation may have taken back seat as the bank rate benchmark (at which NHAI pays interest to developers) and MCLR benchmark at which banks charge interest to developers have seen divergence over the years with the spread expanding*

*HAM projects were envisaged to have (1) no revenue risk (2) no inflation risk and (3) no interest rate risk. The choice of benchmark has made the model deficient*

*We expect that eventually the bank rate will shift to MCLR+smaller spread (SBI MCLR may be a reference rate) vs bank rate + 300bps. This may be interest rate neutral from NHAI at the migration date. Though the correction of benchmarks may result in interest rate risk going away and credit rating agencies assigning AAA rating for some of these HAM projects*

*Large part of HAM projects will get completed over FY22/23 and by then we expect some resolution on bank rate issue. The good part is interest from funds remain high as IRRs are 12%+ and limited products offering such returns*

*For HAM projects, NHAI provides 40% grant and balance 60% project cost is reimbursed as semi annuities, interest on the balance cost is paid at Bank Rate + 300bps*

## Few challenges yet to be addressed

**Bank rate shock – to drive HAM valuation and IRRs down – monetisation to be more back-ended now**

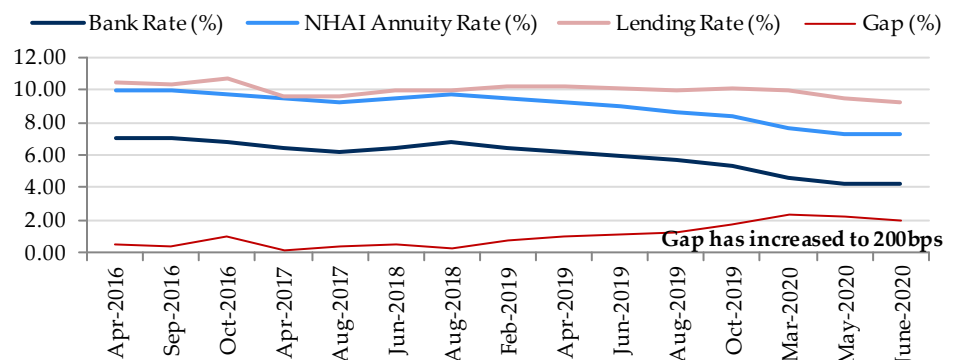
**Lower bank rate vs MCLR has led to higher premium vis-à-vis NHAI estimated cost in FY21**

HAMs awarded in FY21TD	Project cost (Rs bn)	L1 / Project Cost (%)	L1/L2 (%)	L1	L2 , L3
Dobaspet to Dodaballapur Bypass Pkg 1	11	11	-5	Shankarana rayana	DBL,KCC
4 laning of NH-363 from Repallewada	9	22	-2	DBL	Adani, KNR
Vadodara Mumbai Pkg - 7	12	39	-3	IRB	IRCON, Adani
Vadodara Mumbai Pkg - 6	17	26	-14	GRIL	IRB, Adani
Renigunta to Naidupeta	15	24	-4	Megha	Oriental, Welspun
Dhrol Bhadra	7	26	-5	DBL	GR Infra, DRA
Meerut - Nazibabad	11	22	-9	PNC	Gawar, GR infra
Jaitpur- Pushta Road to Faridabad – Ballabhgarh Bypass Section of NH-148NA (Pkg-2)	13	31	-10	DRA	Gawar, Apco
Harda to temagav	4	18	-8	Path	DBL, Brij Gopal
Harda Betul Chicholi	5	14	-9	Bansal	Brij Gopal, DBL
Vadodara Mumbai Pkg - 13	20	32	-1.3	GRIL	Gawar, Welspun
Vadodara Mumbai Pkg - 11	10	15	-3.5	RKC Infra	Montecarlo, Gawar
Vadodara Mumbai Pkg - 12	11	29	-0.1	Monte-Carlo	Gawar, GRIL
Chengala to Neeleshwaram	12	42	-11	Megha	DRA , Adani
Thaliparambha- Muzhapilangad	15	39	-6	Adani	KNR , Megha
Rajauli-Bakhtiyarpur (Pkg-3)	20	11	-9	Gawar	IRB , Montecarlo
Rajauli-Bakhtiyarpur (Pkg-2)	9	23	-2	Gawar	KCC Buildcon, RKD
Narenpur to Purnea	15	24	-7.6	DBL	Adani, DRA

Source: HSIE Research

Bank rate contraction by 200bps over the past two years has been a cause of concern. When the first HAM project – Delhi Meerut Expressway – was closed, the bank rate was 7%, and FC was done at ~10-10.5%. Since then, we have come a long way and whilst bank rate has collapsed in line with repo rate cuts and is now 4.25% (275bps reduction in two years), HAM project FC rates have corrected by 150bps to sub 9%. There is a gap of average 175bps between NHAI interest rate paid to HAM developers and bank interest charged by banks to developers vs 25-50bps earlier.

### The widening spread between bank rate and lending rates



Source: HSIE Research



**NHAI has indicated it is aware of the collapse of bank rate and may take steps if situation prevails**

The NHAI at different forums has indicated that bank rate collapse has led to developers IRRs assumptions going for a toss as banks are not passing the rate cuts to contractors. The gap is now almost 175bps. Developer bodies have made representations to the NHAI on the same, and the latter has indicated that it will act depending on how rates behave. NHAI benchmark bank rate is not a well-accepted industry benchmark for lending. Banks lend to developers at MCLR plus a spread. SBI has some loans marked to repo rate and a spread on that. Our channel checks suggest NHAI has deliberated on various aspects of how the rates can be normalised. The obvious solution looks to be increasing the (1) inefficient way - bank rate +300bps spread by up to 150-200bps making it closer to bank rate + 450-500bps (2) efficient way - shift to a neutral formula, **bank rate + 300bps (4.25%+300bps= 7.25%) = MCLR (Say SBI MCLR) + smaller spread (7%+25bps= 7.25%)**. Concrete policy action is required on this front for legacy bid out HAM projects. For new projects, developers will consider the present reality and bid at a higher premium vs the project cost.

**Equity IRR sensitivity analysis**

*We have done a sensitivity analysis of Bank rates and its impact on P/BV (x) multiple and Equity/Project IRRs*

*The biggest factors here are – premium bid to total bid project cost is vs. contractor’s estimate of project cost (including EPC cost, IDC, DSRA, Pre-operative costs etc)*

*We highlight in the below table various scenarios of these sensitivities*

*We see that on averaging these scenarios P/BV (x) may fall by ~22% and for every unit change in Bank Rate Equity IRRs fall by 410bps*

*So for 200bps contraction in Bank Rate the Equity IRRs may collapse by 800bps. Though sensitivity is low, when bid project cost is similar to project cost as estimated by developers*

Project cost - 0% Difference				
	%			
Bank Rate	7.0	6.0	5.0	4.3
NHAI Rate	10.0	9.0	8.0	7.3
HAM Project FC rate	10.45	10.15	9.8	9.2
Project IRR	9.96	8.86	7.78	7
IRR	6.06	3.28	0.73	-0.5
P/BV (x)	0.77	0.62	0.47	0.4
Valuation fall				(35.5)
Equity IRR Sensitivity				2.2
Project cost - 10% Difference				
	%			
Bank Rate	7.0	6.0	5.0	4.3
NHAI Rate	10.0	9.0	8.0	7.3
HAM Project FC rate	10.45	10.15	9.8	9.2
Project IRR	14.11	12.79	11.64	10.52
IRR	22.4	17.09	13.36	11.74
P/BV (x)	1.54	1.33	1.16	1.08
Valuation fall				(18.8)
Equity IRR Sensitivity				3.1
Project cost - 15% Difference				
	%			
Bank Rate	7.0	6.0	5.0	4.3
NHAI Rate	10.0	9.0	8.0	7.3
HAM Project FC rate	10.45	10.15	9.8	9.2
Project IRR	16.57	15.06	13.61	12.57
IRR	33.26	27.54	21.67	19.4
P/BV (x)	1.99	1.8	1.57	1.48
Valuation fall				(17.8)
Equity IRR Sensitivity				4.7
Project cost - 20% Difference				
	%			
Bank Rate	7.0	6.0	5.0	4.3
NHAI Rate	10.0	9.0	8.0	7.3
HAM Project FC rate	10.45	10.15	9.8	9.2
Project IRR	20.51	18.74	17.01	15.89
IRR	55.65	45.06	37.11	33.81
P/BV (x)	2.72	2.47	2.2	2.1
Valuation fall				(15.0)
Equity IRR Sensitivity				6.4
<b>Average Valuation Fall (%)</b>				<b>(21.8)</b>
<b>Average IRR Contraction (%)</b>				<b>4.1</b>

Source: HSIE Research

### **Under-construction HAM projects at risk of valuation renegotiation; equity under OCD structure may not be availed**

We expect the deals announced earlier by DBL and KNR to see renegotiations. Typically, in the under-construction stages, the PE players bring in capital under the OCD structure, which has 12%+ cost. Companies may not avail this high-cost structure and instead, bring in own equity. Once the project achieves COD, the option to continue with the deal will depend on what is bank rate prevailing at COD and what is revised valuation. With ~20% decline in P/BV, we expect deals to be at risk unless NHAI takes some action on bank rate.

### **Other issues troubling the sector, a lesser number for private banks, 4-5x hike in insurance premium**

The consolidation theme is playing out with stronger players having robust balance sheets becoming stronger. The financial institutions in the last HAM cycle have reduced to only two private banks vs 6-7 private financial institutions earlier. PSUs interest seems to be increasing now with 4-5 PSU banks actively seeking to do financial closure. Rates seem to be collapsing to 7.7-8.5% for the Tier 1 developers while continuing to be at 8.5-9%+ for Tier 2.

### **NHAI release of retention money and monthly grant and bills payment positives**

The NHAI has come out with COVID-19 relief guidelines for EPC/HAM developers. Release of retention money, monthly payment vs milestone-based earlier for HAM projects will be positive from liquidity and NWC perspective. The RBI policy of six-month moratorium on term loans and working capital interest deferrals are also favourable. Though only BOT operators have opted for 6M moratorium. COVID-19 shortfall loan at concessional rates of bank rate+200bps (6.25%) is a big positive, provided developers have not availed RBI concessions already. NHAI positive responses to sectoral headwinds augur well for infra developers.

The NHAI wants to maintain long-term awarding through HAM model. The risk-reward is favourable for both lending banks and developers. The immediate issue is of how bank rate will get addressed as many HAM projects will achieve COD and will be put in for monetisation. PE players, sovereign wealth funds want policy certainty before deploying capital in these assets. Concerns also remain on the O&M part as the increase in axle load has led to serious risks on how roads will be able to bear the increased load and whether higher capital needs to be carved out for maintenance. We believe the NHAI is aware of the bank rate issue and is on course correction and may wait for some time before taking some decision on the same.

*Insurance cost has also increase 4-5x, we know for a road the annual insurance premium which used to be Rs 4mn is now Rs 16mn. This is a big increase for the residual life of the asset, viz. for 15 years concession, it is Rs 165mn (~NPV Rs 80mn, 5-6% of valuation)*

*Anything that hampers or delays investments may get addressed sooner or later as NHAI has its own ToT monetisation/INVIT plans, which may suffer if these issues are not ironed out*

## Key risks

Order book	Roads (%)	Non-roads (%)
NCC	9.0	91.0
Dilip Buildcon	49.7	50.4
PNC Infratech	99.0	1.0
IRB Infra	100.0	-
ITD		
Cementation	0.1	99.9
JMC Projects	38.0	62.0
JKIL	7.0	93.0
Capacite		
Infraprojects	-	100.0
KNR	60.3	39.7
Ashoka Buildcon	80.3	19.7
Sadbhav Engineering	71.3	28.7
Ahluwalia Contracts	-	100.0
HG Infra	100.0	-
PSP Projects	-	100.0

Source: Companies

- The slowdown in NHAI awarding** – we expect Bharatmala Pariyojna- 1 (BM1) to get awarded by FY23/24 and in the absence of any announcement on BM2, there are concerns on roads awards longevity. This may lead to growth rate moderation for companies with a single segment as roads. We believe that BM2 will get kick-started by FY24, once (1) a large part of BM1 HAM projects get monetised (2) the incoming investors list these projects through INVIT, eventually freeing up banks' exposure, (3) lower interest rate will result in interest from higher yield and a safer product like HAM INVITs. Post-INVIT, banks will have limits available for lending to new HAM projects. The attractiveness of higher yield/relatively lower risk of AAA backed asset will not be a limiting factor for funds availability.
- Asset monetisation challenges** – not all projects may attract a premium valuation (above book value). Some of the aggressive bids (lower O&M quote, bid cost) may have to take a haircut. Refinancing of the projects may also be challenging for some of the developers. We do believe that this will pose a risk to the monetisation program, but within our coverage universe, we believe that developers have been conservative and have focused on the quality and durability of the road projects. Some of the coverage companies have already got investors in HAM assets, and they may continue to take up newer projects from these developers.
- Living in the comfort zone** – with the levels of roads awards, some of the developers in the coverage universe have achieved larger size and scale. Growing beyond a Rs 50-60bn revenue per annum will be a serious challenge with just the road segment as the only focused segment. Companies need to walk out of the comfort zone and align the capabilities in line with the NIP program. They need to focus on railways, water, metro, power EPC etc. DBL is much ahead vs peers in terms of diversification with roads now being about 49.7%, KNR at 60.3% and Ashoka at 80.3%.
- Labour migration issues persist longer** – the labour migration issues seems to be bottoming out. Any second wave of COVID-19 may lead to sector execution getting further challenged.
- Delayed toll recovery, higher input costs and higher labour costs** – the crude prices have been supportive until now, and a sharp uptick in crude may be margin dilutive for infra companies. Migrant labour issues had led to a rise in labour costs. Whilst labour availability has improved, we need to see mean reversion in labour costs. Toll collections have been improving and have reached 85-90% for coverage universe. The growth from here on is based on economic and industrial recovery.

## Company Section

### Estimates & Target Price revisions – Infra & Construction

- Ahluwalia:** We revise AEPS estimates by 116/-4/-6.5% respectively to factor in brisk recovery in execution despite the challenges in work resumption in urban centric projects. Labour availability has improved to 40% and is expected to improve further with easing of restrictions, leading to ramp up in execution. With strong order book of Rs 75bn (4x FY20 revenue), net cash balance sheet and govt investment in healthcare, AHLU is well poised for recovery. We root for PE expansion towards pre-COVID levels for AHLU for strong corporate governance and superior ROE profile. We increase multiple from 12x to 13x and roll forward to Sept-22, to arrive at TP of Rs 375/sh vs. Rs 286/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	13,646	14,063	3.1	21,715	21,715	-	27,641	27,169	(1.7)
EBITDA	1,018	1,234	21.1	2,866	2,780	(3.0)	3,649	3,451	(5.4)
EBIDTA Margin (%)	7.5	8.8	130.9	13.2	12.8	(40.0)	13.2	12.7	(3.8)
Adj PAT	310	670	115.7	1,690	1,626	(3.8)	2,251	2,104	(6.5)
AEPS (Rs)	4.6	10.0	115.7	25.2	24.3	(3.8)	33.6	31.4	(6.5)
TP (Rs/share)	286	375	31.0						

- Ashoka Buildcon:** We narrow down FY21 losses to Rs 1.1bn from Rs 1.6bn to factor in better EBITDA margin on account of cost efficiencies demonstrated by ABL during 1QFY21. Delay in closure of ACL transaction is likely to increase in debt to fund HAM equity infusion. Resumption and healthy ramp up of toll revenues could spare ABL from providing equity support to ACL assets. We maintain our P/E multiple of 8x and roll forward to Sep-20, to arrive at TP of Rs 147/sh vs Rs 141/sh earlier. Maintain BUY.

Consolidated Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	48,112	44,989	(6.5)	54,506	50,743	(6.9)	-	58,430	-
EBITDA	12,658	12,885	1.8	14,072	13,696	(2.7)	-	15,769	-
EBIDTA Margin (%)	26.3	28.6	233.2	25.8	27.0	117.3	-	27.0	-
Adj PAT	(1,556)	(1,133)	NA	(596)	(774)	NA	-	424	-
AEPS (Rs)	(5.5)	(4.0)	NA	(2.1)	(2.8)	NA	-	1.5	-
TP (Rs/share)	141	147	3.9						

- Capacite:** We trim AEPS estimates by 7/8% respectively to align with 1QFY21 reported no. However, we have raised our execution estimates as work has resumed on majority of the sites. With well-balanced order book of Rs 104bn and comfortable balance sheet, Capacite is well-poised for recovery. Our channel checks suggest near normal labour at sites and improvement in collections. With these positives, CIL is well placed for re-rating from 3QFY21, however we still value it below pre-COVID level of 12x P/E. We increase P/E multiple from 8x to 10x and roll forward to Sep-22 to arrive at TP of Rs 213/sh vs. Rs 147/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	11,137	12,108	8.7	21,708	20,783	(4.3)	-	25,968	-
EBITDA	1,377	1,669	21.3	3,408	3,263	(4.3)	-	4,077	-
EBIDTA Margin (%)	12.4	13.8	142.6	15.7	15.7	(0.0)	-	15.7	-
Adj PAT	39	36	(6.8)	1,143	1,048	(8.3)	-	1,679	-
AEPS (Rs)	0.6	0.5	(6.8)	16.8	15.4	(8.3)	-	24.7	-
TP (Rs/share)	147	213	44.9						

- Dilip Buildcon:** We revise FY21/22E EPS estimates by 47/-15% respectively to factor in front ended recovery in execution. Despite the tepid ordering in the sector, DBL won Rs 107bn worth of order, to take its diversified order book to Rs 261bn, providing revenue visibility for close to three years on FY20 revenue. Although net D/E at 0.92x is comfortable, completion of Cube deal and successful monetization of HAM assets would take pressure off the balance sheet. With large part of ordering in FY21E still ahead, DBL stands to win more orders which could further aid in execution. We increase our P/E multiple from 8x to 10x and roll forward to Sep-22, to arrive at TP of Rs 585/sh vs. Rs 466/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	83,599	89,794	7.4	96,375	96,375	-	-	120,468	-
EBITDA	11,911	14,216	19.4	16,125	16,007	(0.7)	-	19,741	-
EBIDTA Margin (%)	14.2	15.8	158.4	16.7	16.6	(12.2)	-	16.4	-
Adj PAT	2,445	3,582	46.5	5,664	4,789	(15.4)	-	7,238	-
AEPS (Rs)	17.9	26.2	46.5	41.4	35.0	(15.4)	-	52.9	-
TP (Rs/share)	466	585	25.4						

- HG Infra:** We raise AEPS estimates by 7/9% respectively to factor in better EBITDA margin during 1QFY21, despite the slower recovery in execution. Slow-down in NHAI ordering poses risk as HG has been unable to win an order till now in FY21E. Balances sheet is comfortable and will strengthen further with potential realization of Rs 1.7bn Rajasthan receivables. We maintain 10x P/E multiple and roll forward to Sep-22, to arrive at TP of Rs 380/sh vs. Rs 337/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	22,735	20,231	(11.0)	27,318	27,318	-	-	31,416	-
EBITDA	3,192	3,152	(1.3)	4,192	4,195	0.1	-	4,884	-
EBIDTA Margin (%)	14.0	15.6	153.9	15.3	15.4	0.8	-	15.5	-
Adj PAT	1,340	1,438	7.3	1,834	2,006	9.4	-	2,423	-
AEPS (Rs)	20.6	22.1	7.3	28.1	30.8	9.4	-	37.2	-
TP (Rs/share)	337	380	12.7						

- IRB Infra:** We cut AEPS estimates by 61/17% for FY21/22E to factor in higher interest cost and losses from JVs/associates. IRB had won a BOT project in July but it got cancelled in August. Management is now awaiting tendering of Rs 93bn BOT projects planned by NHAI. With GIC inflows at private Invite level, long term strategic intent of the partnership and new win in Mumbai Pune ToT, IRB warrants a re-rating. We increase our P/E multiple to 5x from 4x and roll forward to Sep-22, to arrive at TP of Rs 157/sh vs. Rs 142/sh earlier. Maintain BUY.

Consolidated Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	50,775	50,775	-	57,850	57,850	-	-	62,915	-
EBITDA	22,087	22,087	-	26,322	26,322	-	-	28,627	-
EBIDTA Margin (%)	43.5	43.5	-	45.5	45.5	-	-	45.5	-
Adj PAT	4,699	1,851	(60.6)	4,998	4,129	(17.4)	-	5,720	-
AEPS (Rs)	13.4	5.3	(60.6)	14.2	11.7	(17.4)	-	16.3	-
TP (Rs/share)	142	157	11.0						

- ITD Cementation:** We revise AEPS estimates by -42/1% respectively to factor in slower recovery in execution at projects located in cities worst affected by the pandemic. High employee costs with lower topline, would further impact the margins. However, we expect ITD to report Rs 10bn/qr revenue from 4QFY21, which should augur well for growth and profitability. Focus on EPC, cross sector expertise, healthy balance sheet and MNC parentage, warrants a re-rating. We increase our P/E multiple from 8x to 10x and roll forward to Sep-22, to arrive at target price of Rs 68/sh vs. Rs 54/sh earlier. We upgrade ITD to BUY from ADD.

Consolidated Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	25,430	22,351	(12.1)	32,932	34,868	5.9	-	40,098	-
EBITDA	2,145	2,137	(0.4)	3,413	3,521	3.2	-	4,090	-
EBIDTA Margin (%)	8.4	9.6	112.4	10.4	10.1	(26.3)	-	10.2	-
Adj PAT	63	36	(42.0)	1,163	1,172	0.7	-	1,409	-
AEPS (Rs)	0.4	0.2	(42.0)	6.8	6.8	0.7	-	8.2	-
TP (Rs/share)	54	68	25.9						

- JMC Projects:** We cut AEPS estimates by 58/12% respectively to factor in challenges in ramping up execution as large part of the order book is concentrated in urban areas. However, order wins were robust at Rs 34bn, against full year guidance of Rs 50bn and non-building part is increasing. Moreover, JMC is in advance stage of restructuring two BOT assets. We increase our P/E multiple from 8x to 10x and roll forward to Sep-22 to arrive at TP of Rs 88/sh vs. Rs 69/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	33,528	28,587	(14.7)	39,450	37,171	(5.8)	-	42,940	-
EBITDA	3,371	2,687	(20.3)	4,261	4,014	(5.8)	-	4,637	-
EBIDTA Margin (%)	10.1	9.4	(65.7)	10.8	10.8	(0.0)	-	10.8	-
Adj PAT	725	307	(57.7)	1,269	1,118	(11.9)	-	1,458	-
AEPS (Rs)	4.3	1.8	(57.7)	7.6	6.7	(11.9)	-	8.7	-
TP (Rs/share)	69	88	26.6						

- J. Kumar Infraprojects:** We tweak AEPS estimates by -3/2% respectively to align with finance cost reported in 1QFY21. Strong order book (4x FY20 revenue) and comfortable balance sheet (net D/E at 0.3x on Jun-20) to aid in recovery. However, concentration of order book in urban areas pose key risk to estimates. EPS growth surprise will lead to re-rating. We wait for more concrete delivery of the same. We maintain our P/E multiple of 6x and roll forward to Sep-22, to arrive at TP of Rs 160/sh vs. Rs 138/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	-
EBITDA	2,199	2,199	-	4,560	4,560	-	-	5,244	-
EBIDTA Margin (%)	10.7	10.7	-	15.3	15.3	-	-	15.3	-
Adj PAT	157	152	(3.4)	1,745	1,775	1.7	-	2,271	-
AEPS (Rs)	2.1	2.0	(3.4)	23.1	23.5	1.7	-	30.0	-
TP (Rs/share)	138	160	16.0						

- KNR:** We revise AEPS estimate by 22/6/-1% respectively to factor in margin expansion. With lifetime high order book of Rs 100bn+, including L1, on back of Rs 43bn of new wins FYTD21, KNR is worthy contender for an EPS upgrade. HAM/BOT portfolio has been monetized with tie up with Cube. Although, irrigation receivable is a cause of concern, we believe its manageable. Hence, we upgrade P/E multiple from 12x to 15x for this net cash company (ex-promoter debt) and arrive at TP of Rs 390/sh vs. Rs 300/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	23,945	24,008	0.3	28,571	28,637	0.2	35,575	35,644	0.2
EBITDA	4,475	4,539	1.4	5,514	5,580	1.2	6,937	7,006	1.0
EBIDTA Margin (%)	18.7	18.9	21.5	19.3	19.5	18.7	19.5	19.7	0.8
Adj PAT	1,802	2,189	21.5	2,446	2,583	5.6	3,424	3,405	(0.5)
AEPS (Rs)	12.8	15.6	21.5	17.4	18.4	5.6	24.3	24.2	(0.5)
TP (Rs/share)	300	390	29.9						

- NCC:** We raise AEPS estimates by 8/9% respectively to factor in lower interest cost. Execution recovered sharply during 1QFY21. With clarity on Andhra works, net executable order book stood at Rs 279bn, providing revenue visibility for more than three year. FYTD21 order inflow is robust at Rs 42bn. We believe NCC, with its diversified capabilities, is well suited to play a larger role in implementation of NIP and hence believe NCC would be a key beneficiary of the same. AP execution has resumed and pending dues are slowly getting cleared by Govt. We believe NCC warrants a re-rating but as of now we have retained our 8x target PE and will be watchful on positive news flow on recovery. We roll forward to Sep-22, to arrive at TP of Rs 60/sh vs. Rs 48/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	70,791	70,791	-	88,068	89,422	1.5	-	1,10,289	-
EBITDA	7,753	7,753	-	10,040	10,194	1.5	-	12,683	-
EBIDTA Margin (%)	11.0	11.0	-	11.4	11.4	0.0	-	11.5	-
Adj PAT	1,328	1,434	8.0	3,086	3,349	8.5	-	4,696	-
AEPS (Rs)	2.2	2.4	8.0	5.1	5.5	8.5	-	7.7	-
TP (Rs/share)	48	60	23.8						

- PNC Infratech:** We increase FY21/22E AEPS estimates by 27/14% respectively to factor in better than expected EBITDA margin. With work starting on the five HAM projects and two EPC projects through FY21, PNC is well placed for recovery in execution. PNC has improved its NWC over last 4-5qtrs on back of receipt of arbitration claims and better choice of projects. Large part of FCF is going towards HAM equity (Rs 15bn for the portfolio, Rs 10bn yet to be invested). We have kept multiple unchanged for now, however, re-rating would be contingent on diversification of the order book and monetization of HAM assets. We maintain our P/E multiple of 12x and roll forward to Sep-22, to arrive at TP of Rs 290/sh vs. Rs 234/sh earlier. Maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	46,965	46,965	-	53,537	53,774	0.4	-	61,195	-
EBITDA	5,976	6,476	8.4	7,451	7,586	1.8	-	8,596	-
EBIDTA Margin (%)	12.7	13.8	106.5	13.9	14.1	19.0	-	14.0	-
Adj PAT	2,557	3,250	27.1	3,739	4,270	14.2	-	4,890	-
AEPS (Rs)	10.0	12.7	27.1	14.6	16.6	14.2	-	19.1	-
TP (Rs/share)	234	290	23.8						

- PSP:** We tweak AEPS estimates by -1/-1/8% respectively. PSP has achieved scale with the successful execution of large SDB project (nearing completion) and with this, the company would qualify for >Rs 20bn+ single project. In the near term there is limited visibility of growth with Rs 30bn of order book, but we believe PSP has credentials and would be able to win new orders. We raise our P/E multiple from 10x to 12x and roll forward to Sep-22 to arrive at TP of Rs 490/sh vs. Rs 370/sh earlier. We upgrade the stock to BUY from REDUCE.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	10,489	10,489	-	14,801	14,801	-	17,098	17,887	4.6
EBITDA	1,096	1,096	-	1,948	1,948	-	2,252	2,427	7.8
EBIDTA Margin (%)	10.4	10.4	-	13.2	13.2	-	13.2	13.6	3.0
Adj PAT	664	657	(1.1)	1,331	1,322	(0.6)	1,501	1,619	7.9
AEPS (Rs)	18.4	18.2	(1.1)	37.0	36.7	(0.6)	41.7	45.0	7.9
TP (Rs/share)	370	490	32.5						

- Sadbhav Engineering:** We raise AEPS estimates by 2/1/5% respectively to factor in ramp up in execution going forward. SEL has guided that execution will get normalized to Rs 100mn/day from Oct-20. SEL has improved its balance sheet with the proceed from transfer of SIPL BOT assets to Indinfravit. Besides, the promoters have shown intent to remove pledge on their shares in next few months. We believe SEL warrants a PE expansion. We increase our P/E multiple from 6x to 8x and roll forward to Sep-22, to arrive at TP of Rs 96/sh vs. Rs 62/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	-	29,295	29,860	1.9	34,398	36,822	7.0
EBITDA	2,722	2,722	-	3,662	3,732	1.9	4,403	4,603	4.5
EBIDTA Margin (%)	11.3	11.3	-	12.5	12.5	(0.0)	12.8	12.5	(2.3)
Adj PAT	681	696	2.2	1,229	1,237	0.6	1,887	1,987	5.3
AEPS (Rs)	4.0	4.1	2.2	7.2	7.2	0.6	11.0	11.6	5.3
TP (Rs/share)	62	96	54.7						

- Kalpataru Power:** We have kept out EPS estimates unchanged. We roll forward our valuation o Sep-22E. Minor increase in PE (to precovid levels from 10x to 11x) to factor in sale of BOOT assets, near cash standalone BS and improving real estate segment which shall augur well for Kalpataru parent and ease concerns of share pledged by parent in KPTL. JMC restructuring of loss making BOT assets shall also augur well for the SOTP perspective. We maintain BUY.

Standalone Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	76,027	76,027	-	81,251	81,251	-	90,005	90,005	-
EBITDA	7,391	7,391	-	8,515	8,515	-	9,466	9,466	-
EBIDTA Margin (%)	9.7	9.7	-	10.5	10.5	-	10.5	10.5	-
Adj PAT	3,752	3,752	-	4,540	4,540	-	5,331	5,331	-
AEPS (Rs)	24.4	24.4	-	29.6	29.6	-	34.7	34.7	-
TP (Rs/share)	357	410	15.0						



**Infrastructure: Sector Thematic**

- KEC International:** We have kept out EPS estimates unchanged. We have increased multiple (to precovid level from 12x to 14x) to factor in robust order accretion, cross segment order book and track record of execution delivery. We maintain BUY.

Consolidated Rs Mn	FY21E			FY22E			FY23E		
	Old	Revised	% Chg	Old	Revised	% Chg	Old	Revised	% Chg
Net Sales	1,24,092	1,24,092	-	1,37,047	1,37,047	-	1,51,403	1,51,403	-
EBITDA	12,417	12,417	-	13,992	13,992	-	15,479	15,479	-
EBIDTA Margin (%)	10.0	10.0	-	10.2	10.2	-	10.2	10.2	-
Adj PAT	5,613	5,613	-	6,639	6,639	-	7,666	7,666	-
AEPS (Rs)	21.8	21.8	-	25.8	25.8	-	29.8	29.8	-
TP (Rs/share)	334	390	16.7						

**Composite Valuation Summary**

Company Name	Core EPC value (Rs/sh)			BOT/HAM/Others Stakes value (Rs/sh)					Total	Valuation drivers	
	Sep-22E EPS (Rs/sh)	Target PE (x)	EPC value (Rs/sh)	BOT value (Rs/sh)	HAM Value (Rs/sh)	Real Estate/Land (Rs/sh)	Others- Stakes in companies, JVs etc (Rs/sh)	Total Non EPC Value (Rs/sh)	Target Price (Rs/sh)	EPC (%)	Asset Values (%)
Ahluwalia Contracts	27.8	13	361.9	12.9	-	-	-	12.9	375	96.6	3.4
Ashoka Buildcon	9.4	8	75.3	42.6	23.9	5.0	-	71.5	147	51.3	48.7
Capacite Infraprojects	20.1	10	200.8	-	-	-	12.6	12.6	213	94.1	5.9
Dilip Buildcon	44.0	10	439.7	145.1	-	-	-	145.1	585	75.2	24.8
HG Infra	34.0	10	339.8	-	40.3	-	-	40.3	380	89.4	10.6
ITD Cementation	7.5	10	75.1	-	-	-	-	-	75	100.0	0.0
JKIL	26.7	6	160.4	-	-	-	-	-	160	100.0	0.0
JMC Projects	7.7	10	76.7	11.2	-	-	-	11.2	88	87.3	12.7
KNR	21.3	15	319.4	33.4	31.9	4.9	-	70.2	390	82.0	18.0
NCC	6.6	8	52.8	-	-	7.1	-	7.1	60	88.2	11.8
PNC Infratech	17.9	12	214.2	29.8	45.7	-	-	75.6	290	73.9	26.1
PSP Projects	40.8	12	490.2	-	-	-	-	-	490	100.0	0.0
Sadbhav Engineering	9.4	8	75.2	-	-	-	20.4	20.4	96	78.7	21.3
Kalpataru Power	32.2	11	353.8	-	-	-	56.2	56.2	410	86.3	13.7
KEC	27.8	14	389.5	-	-	-	-	-	390	100.0	0.0

Source: Company, HSIE Research

**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
Ahluwalia Contracts	16.7	249	BUY	375	10.0	24.3	31.4	23.6	9.7	7.5	11.9	5.2	3.9	8.1	17.3	18.8
Ashoka Buildcon	19.4	69	BUY	147	7.4	8.5	10.3	-0.3	-0.3	-0.2	0.1	0.2	-0.2	11.2	11.4	12.0
Capacite Infraprojects	8.5	126	BUY	213	0.5	15.4	24.7	211.6	7.3	4.6	4.6	2.3	1.9	0.4	10.8	15.2
Dilip Buildcon	50.2	367	BUY	585	26.2	35.0	52.9	8.5	6.3	4.2	4.4	3.6	2.9	9.5	11.5	15.3
HG Infra	12.6	193	BUY	380	22.1	30.8	37.2	6.9	5.0	4.1	3.9	2.9	2.3	16.1	18.9	18.9
ITD Cementation	8.6	50	BUY	68	0.2	6.8	8.2	235.5	7.3	6.1	5.0	3.4	2.1	0.3	10.5	11.4
JKIL	7.4	108	BUY	160	2.0	23.5	30.0	54.1	4.6	3.6	6.0	2.6	2.3	0.8	9.4	11.1
JMC Projects	8.7	52	BUY	88	1.8	6.7	8.7	22.1	6.1	4.6	5.4	3.5	2.9	3.2	11.4	13.5
KNR	35.3	251	BUY	390	15.6	18.4	24.2	11.6	9.8	7.5	6.3	5.3	3.6	12.6	13.1	15.1
NCC	19.2	31	BUY	60	2.4	5.5	7.7	10.4	4.4	3.2	3.9	3.0	2.5	2.8	6.2	8.2
PNC Infratech	40.3	157	BUY	290	12.7	16.6	19.1	6.4	4.9	4.3	2.5	2.2	2.4	6.9	7.9	8.0
PSP Projects	15.1	420	BUY	490	18.2	36.7	45.0	23.0	11.4	9.3	13.8	7.8	6.2	13.6	23.4	23.6
Sadbhav Engineering	9.2	54	BUY	96	4.1	7.2	11.6	8.2	4.6	2.9	6.0	4.2	3.5	3.2	5.5	8.2
<b>Average</b>								<b>44.6</b>	<b>6.0</b>	<b>4.6</b>	<b>5.4</b>	<b>3.4</b>	<b>2.7</b>	<b>6.8</b>	<b>12.1</b>	<b>13.8</b>
Kalpataru Power	43.2	282	BUY	410	24.4	29.6	34.7	9.6	8.0	6.8	5.9	4.8	4.2	10.1	11.1	12.0
KEC International	84.1	327	BUY	390	21.8	25.8	29.8	15.0	12.7	11.0	9.0	7.8	7.1	18.1	18.0	17.7

Source: Company, HSIE Research

## 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>14,063</b>	<b>21,715</b>	<b>27,169</b>
<i>Growth (%)</i>	17.9	14.2	15.4	6.6	7.4	(25.4)	54.4	25.1
Material Expenses	9,099	10,712	12,608	13,500	15,038	11,013	16,634	20,812
Employee Expenses	1,588	1,536	1,338	1,433	1,543	1,245	1,737	2,174
Other Operating Expenses	200	287	326	449	738	572	565	734
<b>EBIDTA</b>	<b>1,608</b>	<b>1,730</b>	<b>2,194</b>	<b>2,165</b>	<b>1,530</b>	<b>1,234</b>	<b>2,780</b>	<b>3,451</b>
<i>EBIDTA (%)</i>	12.9	12.1	13.3	12.3	8.1	8.8	12.8	12.7
<i>EBIDTA Growth (%)</i>	40.0	7.6	26.8	(1.3)	(29.3)	(19.4)	125.3	24.1
Depreciation	201	241	256	276	319	289	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>944</b>	<b>2,407</b>	<b>3,054</b>
Other Income (Incl. EO Items)	136	84	63	98	104	282	111	111
Interest	352	27	251	192	350	331	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>896</b>	<b>2,197</b>	<b>2,844</b>
Tax	347	446	594	621	322	226	571	739
<b>RPAT</b>	<b>844</b>	<b>1,101</b>	<b>1,156</b>	<b>1,174</b>	<b>644</b>	<b>670</b>	<b>1,626</b>	<b>2,104</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>670</b>	<b>1,626</b>	<b>2,104</b>
<i>APAT Growth (%)</i>	31.6	30.4	5.0	1.5	(45.1)	3.9	142.7	29.5
<b>EPS</b>	<b>12.6</b>	<b>16.4</b>	<b>17.3</b>	<b>17.5</b>	<b>9.6</b>	<b>10.0</b>	<b>24.3</b>	<b>31.4</b>
<i>EPS Growth (%)</i>	31.6	30.4	5.0	1.5	(45.1)	3.9	142.7	29.5

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	8,462	10,039	12,095
<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>8,596</b>	<b>10,173</b>	<b>12,229</b>
Minority Interest	-	-	-	-	-	-	-	-
Long Term Debt	1	-	7	6	5	-	-	-
Short Term Debt	1,418	900	289	602	465	449	663	830
<b>Total Debt</b>	<b>1,419</b>	<b>900</b>	<b>296</b>	<b>609</b>	<b>470</b>	<b>449</b>	<b>663</b>	<b>830</b>
Deferred Taxes	(148)	(134)	(217)	(299)	(236)	(299)	(299)	(299)
Long Term Provisions & Others	854	677	303	673	1,195	915	1,281	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>9,661</b>	<b>11,818</b>	<b>14,361</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	2,312	2,856	3,573
Debtors	4,997	4,549	5,659	6,490	5,973	5,587	7,437	9,305
Cash & Equivalents	363	1,202	632	1,528	1,650	1,535	2,046	3,308
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>13,204</b>	<b>16,151</b>	<b>20,083</b>
Creditors	2,946	3,522	3,778	4,285	5,231	5,132	5,113	6,404
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>7,371</b>	<b>8,618</b>	<b>10,566</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>5,832</b>	<b>7,532</b>	<b>9,517</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>9,661</b>	<b>11,818</b>	<b>14,361</b>

Source: Company, HSIE Research

**Standalone Cash Flow**

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
PBT	1,192	1,547	1,750	1,795	966	896	2,197	2,844
Non-operating & EO items	(136)	(84)	(23)	37	319	(282)	(111)	(111)
Interest expenses	352	27	94	107	231	331	321	321
Depreciation	201	241	256	276	319	289	373	397
Working Capital Change	(892)	650	(712)	(564)	(268)	(962)	(1,247)	(911)
Tax paid	(343)	(432)	(556)	(791)	(471)	(226)	(571)	(739)
<b>OPERATING CASH FLOW ( a )</b>	<b>373</b>	<b>1,948</b>	<b>810</b>	<b>859</b>	<b>1,097</b>	<b>45</b>	<b>961</b>	<b>1,800</b>
Capex	(219)	(203)	(175)	(293)	(368)	(151)	(400)	(400)
Free cash flow (FCF)	154	1,746	635	566	729	(106)	561	1,400
Investments + Interest income	267	(297)	(23)	(133)	(91)	282	111	111
<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>(289)</b>
Share capital Issuance	0	-	-	-	-	-	-	-
Debt Issuance	(311)	(520)	(603)	313	(137)	(21)	214	167
Interest expenses	(352)	(27)	(93)	(98)	(187)	(331)	(321)	(321)
Dividend	-	-	-	(24)	(24)	(48)	(48)	(48)
Others Miscellaneous	360	(196)	(15)	-	(15.50)	-	-	-
<b>FINANCING CASH FLOW ( c )</b>	<b>(303)</b>	<b>(743)</b>	<b>(711)</b>	<b>191</b>	<b>(364)</b>	<b>(401)</b>	<b>(156)</b>	<b>(202)</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>(224)</b>	<b>516</b>	<b>1,309</b>
Opening cash balance	245	363	1,202	1,247	2,092	2,439	2,214	2,731
Cash balance not part of C&CE	520	386	0	221	73	0	0	0
Closing Cash & Equivalents	363	1,202	1,247	2,092	2,439	2,214	2,731	4,040

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	21.7	23.4	23.4
EBITDA Margin	12.9	12.1	13.3	12.3	8.1	8.8	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	7.5	7.7
RoE	22.2	23.1	20.1	17.3	8.4	8.1	17.3	18.8
Core RoCE	16.8	19.3	21.0	18.3	10.4	8.8	18.3	20.6
RoCE	17.2	16.6	19.4	15.6	9.3	9.5	15.8	16.3
<b>EFFICIENCY</b>								
Tax Rate (%)	29.2	28.8	33.9	34.6	33.3	25.2	26.0	26.0
Asset Turnover (x)	3.6	3.2	3.5	3.5	3.5	2.4	3.5	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	18	12	10
Payables (days)	86	90	84	89	101	133	86	86
Cash Conversion Cycle (days)	135	100	97	104	72	89	99	97
Other Current Assets (days)	13	17	5	10	63	80	53	43
Other Current Liab (days)	62	56	42	40	52	58	59	56
<b>Net Working Capital Cycle (Days)</b>	<b>86</b>	<b>61</b>	<b>60</b>	<b>74</b>	<b>84</b>	<b>112</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	2.9	7.5	9.5
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	12.6	16.4	17.3	17.5	9.6	10.0	24.3	31.4
CEPS (Rs/sh)	15.6	20.0	21.1	21.6	14.4	14.3	29.8	37.3
DPS (Rs/sh)	-	-	-	0.4	0.4	0.7	0.7	0.7
BV (Rs/sh)	63	79	96	110	120	128	152	183
<b>VALUATION</b>								
P/E	15.3	11.7	11.2	11.0	20.1	19.3	8.0	6.1
P/BV	3.1	2.4	2.0	1.8	1.6	1.5	1.3	1.1
EV/EBITDA	8.7	7.3	5.7	5.5	7.7	14.3	6.3	4.7
OCF/EV (%)	2.7	15.4	6.4	7.1	9.3	0.6	5.5	11.1
FCF/EV (%)	1.1	13.8	5.0	4.7	6.2	(0.2)	3.2	8.6
FCFE/Market Cap (%)	(3.9)	9.3	(0.5)	6.0	3.1	(2.1)	2.4	6.6
Dividend Yield (%)	-	-	-	0.2	0.2	0.4	0.4	0.4

Source: Company, HSIE Research

## Ashoka Buildcon (Rs mn)

## Consolidated Income Statement

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Net Revenues	28,249	29,797	36,030	49,301	50,705	44,989	50,743	58,430
Growth (%)	21.8	5.5	20.9	36.8	2.8	(11.3)	12.8	15.1
Material Expenses	17,022	18,245	22,264	31,915	30,204	26,989	31,641	36,944
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>12,885</b>	<b>13,696</b>	<b>15,769</b>
EBIDTA Margin (%)	32.5	31.9	31.6	28.3	31.1	28.6	27.0	27.0
EBIDTA Growth (%)	94.1	3.5	19.9	22.4	13.0	(18.2)	6.3	15.1
Depreciation	2,690	2,640	2,914	2,582	2,998	2,961	3,249	3,567
<b>EBIT</b>	<b>6,492</b>	<b>6,866</b>	<b>8,482</b>	<b>11,361</b>	<b>12,754</b>	<b>9,924</b>	<b>10,447</b>	<b>12,202</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	10,744	10,571	10,846
<b>PBT</b>	<b>(1,263)</b>	<b>(1,397)</b>	<b>(941)</b>	<b>2,520</b>	<b>3,146</b>	<b>7</b>	<b>714</b>	<b>2,205</b>
Tax	974	698	837	1,709	1,659	1,220	1,588	1,880
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>(1,133)</b>	<b>(774)</b>	<b>424</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>(1,133)</b>	<b>(774)</b>	<b>424</b>
APAT Growth (%)	(168)	270	(45)	(124)	518	(169)	(32)	(155)
Adjusted EPS (Rs/sh)	(3)	(11.0)	(6.0)	1.0	5.9	(4.0)	(2.8)	1.5
EPS Growth (%)	(202)	269.6	(44.9)	(115.8)	518.4	(168.6)	(31.7)	(154.9)

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	16,209	14,778	14,546
<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>17,613</b>	<b>16,182</b>	<b>15,950</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>1,16,766</b>	<b>1,20,760</b>	<b>1,25,957</b>
<b>APPLICATION OF FUNDS</b>								
Net Block	85,148	80,161	78,748	78,737	76,834	80,552	81,377	81,884
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>1,08,074</b>	<b>1,10,510</b>	<b>1,12,648</b>
Inventories	5,251	3,596	4,195	4,264	4,348	6,554	6,557	7,478
Debtors	5,161	3,609	6,890	10,483	9,091	9,832	9,836	11,216
Cash & Equivalents	2,412	1,424	3,040	3,507	7,613	560	2,979	4,659
Other Current Assets	4,325	11,830	9,692	15,908	13,879	19,314	19,820	22,382
<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>36,260</b>	<b>39,192</b>	<b>45,735</b>
Creditors	5,400	5,744	6,493	10,250	7,381	15,075	15,081	17,199
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>23,614</b>	<b>23,636</b>	<b>25,771</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>12,647</b>	<b>15,555</b>	<b>19,964</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>1,16,766</b>	<b>1,20,760</b>	<b>1,25,957</b>

Source: Company, HSIE Research

**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	7	714	2,205
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	10,744	10,571
Depreciation	2,690	2,640	2,914	2,582	2,998	2,961	3,249	3,567
Working Capital Change	(6,524)	(442)	(5,557)	(13,595)	(3,877)	(13,214)	(1,574)	(3,829)
Tax Paid	(1,095)	(933)	(1,196)	(1,822)	(2,044)	(1,220)	(1,588)	(1,880)
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>(1,867)</b>	<b>10,707</b>	<b>9,784</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	(6,092)	6,482	5,559
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)	(10,744)	(10,571)
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>(4,901)</b>	<b>(4,727)</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>(7,053)</b>	<b>2,419</b>	<b>1,680</b>
EO Items, Others	704	876	374					
Closing Cash & Equivalents	2,412	1,425	3,040	3,507	7,613	560	2,979	4,659

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	40.0	37.6	36.8
EBITDA Margin	32.5	31.9	31.6	28.3	31.1	28.6	27.0	27.0
EBIT Margin	23.0	23.0	23.5	23.0	25.2	22.1	20.6	20.9
APAT Margin	(2.0)	(6.9)	(3.1)	0.5	3.3	(2.5)	(1.5)	0.7
RoE	(3.6)	(12.2)	(6.8)	1.6	8.9	(6.1)	(4.6)	2.6
RoC	15.6	11.2	17.4	3.7	6.0	(1,535.6)	(11.3)	1.6
RoCE	17.7	12.2	18.4	3.4	6.1	(1,560.3)	(11.5)	1.6
<b>EFFICIENCY</b>								
Tax Rate (%)	(77.1)	(50.0)	(88.9)	67.8	52.7	16,418.2	222.3	85.3
Fixed Asset Turnover (x)	0.3	0.3	0.4	0.5	0.5	0.4	0.5	0.5
Inventory (days)	68	44	42	32	31	53	47	47
Debtors (days)	67	44	70	78	65	80	71	70
Other Current Assets (days)	56	145	98	118	100	157	143	140
Payables (days)	70	70	66	76	53	122	108	107
Other Current Liab & Provns (days)	63	75	81	66	128	51	46	40
Cash Conversion Cycle (days)	58	88	64	85	16	116	106	109
Debt/EBITDA (x)	5.1	5.0	4.5	4.1	3.7	5.3	5.4	5.0
Net D/E	2.6	2.8	2.9	3.0	2.6	3.8	4.4	4.6
Interest Coverage	0.8	0.8	0.9	1.1	1.2	0.9	1.0	1.1
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	(3.0)	(11.0)	(6.0)	1.0	5.9	-4.0	-2.8	1.5
CEPS (Rs/sh)	7.6	2.1	6.4	10.2	16.6	6.5	8.8	14.2
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	62.7	57.6	56.8
<b>VALUATION</b>								
P/E	(23.3)	(6.3)	(11.4)	72.5	11.7	(17.1)	(25.0)	45.6
P/BV	1.1	1.2	1.2	1.1	1.0	1.1	1.2	1.2
EV/EBITDA	7.0	6.9	5.9	5.3	4.4	6.8	6.6	5.9
EV/Revenues	2.3	2.2	1.9	1.5	1.4	1.9	1.8	1.6
OCF/EV (%)	0.0	0.1	0.1	(0.0)	0.2	(0.0)	0.1	0.1
FCF/EV (%)	2.2	10.6	6.9	(4.1)	13.8	(7.0)	7.2	6.0
FCFE/Market Cap (%)	(14.2)	(7.9)	19.9	(0.5)	19.6	(25.9)	11.6	7.7
Dividend Yield (%)	2.5	2.9	2.9	2.9	2.9	2.9	2.9	2.9

Source: Company, HSIE Research

**Infrastructure: Sector Thematic**
**Capacite Infracapjects (Rs mn)**
**Standalone Income Statement**

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Revenues</b>	8,040	11,251	13,356	17,876	15,287	12,108	20,783	25,968
<i>Growth (%)</i>	59.1	39.9	18.7	33.8	(14.5)	(20.8)	71.6	24.9
Material Expenses	5,936	7,955	9,663	13,204	10,640	9,014	15,442	19,294
Employee Expenses	684	867	1,166	1,462	1,370	786	1,351	1,688
Other Operating Expenses	375	458	494	725	710	639	727	909
<b>EBIDTA</b>	<b>1,045</b>	<b>1,971</b>	<b>2,033</b>	<b>2,485</b>	<b>2,567</b>	<b>1,669</b>	<b>3,263</b>	<b>4,077</b>
<i>EBIDTA (%)</i>	13.0	17.5	15.2	13.9	16.8	13.8	15.7	15.7
<i>EBIDTA Growth (%)</i>	76.4	88.6	3.1	22.2	3.3	(35.0)	95.5	24.9
Depreciation	153	651	672	890	1,142	1,001	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>669</b>	<b>1,989</b>	<b>2,777</b>
Other Income (Incl. EO Items)	129	151	244	369	254	231	156	156
Interest	294	417	398	491	645	851	730	665
<b>PBT</b>	<b>726</b>	<b>1,054</b>	<b>1,207</b>	<b>1,473</b>	<b>1,034</b>	<b>49</b>	<b>1,416</b>	<b>2,269</b>
Tax	249	362	420	517	124	13	368	590
<b>RPAT</b>	<b>477</b>	<b>692</b>	<b>787</b>	<b>956</b>	<b>910</b>	<b>36</b>	<b>1,048</b>	<b>1,679</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>36</b>	<b>1,048</b>	<b>1,679</b>
<i>APAT Growth (%)</i>	55.0	45.1	13.7	21.5	(20.8)	(95.2)	2,792.3	60.3
<b>EPS</b>	<b>61</b>	<b>15.9</b>	<b>11.6</b>	<b>14.1</b>	<b>11.1</b>	<b>0.5</b>	<b>15.4</b>	<b>24.7</b>
<i>EPS Growth (%)</i>	(1.4)	(74.1)	(27.0)	21.5	(20.8)	(95.2)	2,792.3	60.3

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	9,553	11,109
<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>10,232</b>	<b>11,788</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>18,972</b>	<b>20,941</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	2,830	3,049
<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>10,038</b>	<b>10,866</b>
Inventories	2,005	1,704	2,156	911	1,041	995	1,139	1,423
Debtors	2,645	3,578	4,147	5,289	3,820	4,147	5,409	6,759
Cash & bank balances	361	501	3,241	1,935	2,633	3,762	4,207	4,880
Cash FDR	0	0	0	0	0	0	0	0
Other Current Assets	650	928	2,132	5,236	6,728	6,237	7,516	7,613
<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>15,140</b>	<b>18,272</b>	<b>20,675</b>
Creditors	2,967	3,097	4,468	5,335	5,594	5,805	6,833	7,470
Other Current Liabilities & Provns	913	1,387	1,545	2,231	1,873	1,460	2,505	3,130
<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>9,338</b>	<b>10,601</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>7,875</b>	<b>8,933</b>	<b>10,074</b>
Misc Expenses & Others	-	-	-	-	-	4	-	-
<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>18,972</b>	<b>20,941</b>

Source: Company, HSIE Research

## Infrastructure: Sector Thematic

### Standalone Cash Flow

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
PBT	726	1,054	1,207	1,473	1,034	49	1,416	2,269
Non-operating & EO items	(31)	(59)	(208)	(261)	(72)	(231)	(156)	(156)
Interest expenses	294	417	398	491	645	851	730	665
Depreciation	153	651	672	890	1,142	1,001	1,274	1,300
Working Capital Change	(1,094)	(609)	(917)	(1,546)	1,141	676	(547)	(275)
Tax paid	(157)	(239)	(241)	(408)	(370)	(13)	(368)	(590)
<b>OPERATING CASH FLOW ( a )</b>	<b>(108)</b>	<b>1,215</b>	<b>911</b>	<b>640</b>	<b>3,520</b>	<b>2,333</b>	<b>2,348</b>	<b>3,212</b>
Capex	(763)	(1,075)	(1,368)	(2,240)	(2,653)	(1,003)	(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>1,330</b>	<b>410</b>	<b>1,304</b>
Investments	(120)	(18)	(301)	321	12	93	114	-
Non operating income	31	42	183	351	(113)	231	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>(678)</b>	<b>(1,668)</b>	<b>(1,752)</b>
Share capital Issuance	630	595	3,744	-	-	-	-	-
Dividend payment	-	-	(31)	(82)	(82)	(106)	(4)	(123)
Debt Issuance	626	(236)	(14)	195	758	431	500	0
Interest expenses	(302)	(382)	(384)	(490)	(663)	(851)	(730)	(665)
<b>FINANCING CASH FLOW ( c )</b>	<b>954</b>	<b>(23)</b>	<b>3,315</b>	<b>(378)</b>	<b>13</b>	<b>(526)</b>	<b>(234)</b>	<b>(787)</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>1,128</b>	<b>446</b>	<b>673</b>
Opening Cash & Equivalents	367	361	501	3,241	1,935	2,633	3,762	4,207
Others - Margin & IPO deposits (cl. Bal)	314	386	3,108	1,634	(81)	-	-	-
Closing Cash & Equivalents	361	501	3,241	1,935	2,633	3,762	4,207	4,880

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	25.6	25.7	25.7
EBITDA Margin	13.0	17.5	15.2	13.9	16.8	13.8	15.7	15.7
EBIT Margin	11.1	11.7	10.2	8.9	9.3	5.5	9.6	10.7
APAT Margin	5.9	6.2	5.9	5.3	5.0	0.3	5.0	6.5
RoE	42.0	29.5	15.0	12.0	8.6	0.4	10.8	15.2
Core RoCE	28.4	23.5	16.1	12.7	12.7	5.1	14.5	18.4
RoCE	26.3	23.0	14.1	12.1	11.3	5.3	11.7	14.4
<b>EFFICIENCY</b>								
Tax Rate (%)	34.3	34.3	34.8	35.1	12.0	26.0	26.0	26.0
Asset Turnover (x)	3.1	2.9	2.6	2.5	1.7	1.3	2.0	2.3
Inventory (days)	91	55	59	19	25	30	20	20
Debtors (days)	120	116	113	108	91	125	95	95
FDR Cash	-	-	-	-	-	-	-	-
Payables (days)	135	100	122	109	134	175	120	105
<b>Cash Conversion (days)</b>	<b>76</b>	<b>71</b>	<b>50</b>	<b>18</b>	<b>(18)</b>	<b>(20)</b>	<b>(5)</b>	<b>10</b>
Other Current Assets (days)	30	30	58	107	161	188	132	107
Other Current Liab (days)	41	45	42	46	45	44	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>124</b>	<b>83</b>	<b>73</b>
Debt/EBITDA (x)	1.7	1.0	1.2	1.1	1.2	2.1	1.2	1.0
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	2.7	4.2
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	61.4	15.9	11.6	14.1	11.1	0.5	15.4	24.7
CEPS (Rs/sh)	81.1	30.8	21.5	27.2	28.0	15.3	34.2	43.9
DPS (Rs/sh)	-	-	0.5	1.2	1.2	1.6	0.1	1.8
BV (Rs/sh)	219	69	110	124	136	135	151	174
<b>VALUATION</b>								
P/E	2.0	7.8	10.7	8.8	11.1	232.4	8.0	5.1
P/BV	0.6	1.8	1.1	1.0	0.9	0.9	0.8	0.7
EV/EBITDA	2.2	3.5	3.7	3.7	3.5	4.9	2.5	1.9
OCF/EV (%)	(4.6)	17.7	12.0	6.9	39.5	28.4	28.4	41.6
FCF/EV (%)	(37.2)	2.0	(6.0)	(17.4)	9.7	16.2	5.0	16.9
FCFE/Market Cap (%)	(56.8)	(8.8)	(10.2)	(22.5)	11.4	10.8	2.1	7.5
Dividend Yield (%)	0.0	0.0	0.4	1.0	1.0	1.3	0.1	1.4

Source: Company, HSIE Research

## 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>96,375</b>	<b>1,20,468</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>7.3</i>	<i>25.0</i>
Material Expenses	30,005	37,930	60,079	71,340	70,132	71,526	76,363	95,722
Employee Expenses	873	1,025	1,524	1,774	1,958	2,131	2,120	2,650
Other Expenses	1,983	2,099	1,827	2,025	2,029	1,921	1,884	2,355
<b>EBIDTA</b>	<b>7,316</b>	<b>8,863</b>	<b>12,722</b>	<b>15,447</b>	<b>14,438</b>	<b>14,216</b>	<b>16,007</b>	<b>19,741</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>15.8</i>	<i>16.6</i>	<i>16.4</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>(1.5)</i>	<i>12.6</i>	<i>23.3</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>9,936</b>	<b>11,667</b>	<b>15,181</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	6,447	6,789
<b>PBT</b>	<b>2,501</b>	<b>3,601</b>	<b>6,637</b>	<b>8,050</b>	<b>5,754</b>	<b>4,787</b>	<b>6,399</b>	<b>9,673</b>
Tax	293	(9)	434	400	1,505	1,205	1,611	2,435
<b>RPAT</b>	<b>2,208</b>	<b>3,610</b>	<b>6,204</b>	<b>7,649</b>	<b>4,250</b>	<b>3,582</b>	<b>4,789</b>	<b>7,238</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>3,582</b>	<b>4,789</b>	<b>7,238</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>(13.9)</i>	<i>33.7</i>	<i>51.1</i>
<b>Adj. EPS</b>	<b>16.1</b>	<b>26.4</b>	<b>46.5</b>	<b>55.6</b>	<b>30.4</b>	<b>26.2</b>	<b>35.0</b>	<b>52.9</b>
<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>(13.9)</i>	<i>33.7</i>	<i>51.1</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	38,043	42,522	49,293
<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>39,411</b>	<b>43,890</b>	<b>50,661</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	19,622	17,622	18,622
<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>32,562</b>	<b>30,562</b>	<b>31,562</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>84,285</b>	<b>87,108</b>	<b>95,384</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	26,404	26,404
Debtors	9,119	10,165	13,845	14,093	12,398	14,761	15,315	19,143
Cash & Equivalents	1,059	1,137	1,613	1,888	3,219	614	4,022	3,692
Loans & Advances	789	2,479	2,327	4,467	5,451	7,380	5,809	7,261
Other Current Assets	8,079	7,734	11,437	16,494	15,893	16,729	15,842	19,803
<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>66,545</b>	<b>67,392</b>	<b>76,303</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>32,400</b>	<b>32,716</b>	<b>39,934</b>
Misc Expenses & Others	0	0	(136)			(232)	(541)	(1,008)
<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>84,285</b>	<b>87,108</b>	<b>95,384</b>

Source: Company, HSIE Research



**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	4,787	6,399	9,673
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	6,447	6,789
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)	1,249	(9,667)
Taxes	(589)	(835)	(1,504)	(1,604)	(1,950)	(1,205)	(1,611)	(2,435)
<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>8,812</b>	<b>15,645</b>	<b>7,639</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	6,812	13,545	5,539
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)	-	(2,000)	1,000
Interest expenses	(3,814)	(4,162)	(4,641)	(5,299)	(6,127)	(5,914)	(6,447)	(6,789)
FCFE	(1,214)	(2,515)	959	2,882	6,096	899	5,098	(250)
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>(5,914)</b>	<b>(8,447)</b>	<b>(5,789)</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>(2,605)</b>	<b>3,408</b>	<b>(330)</b>
Closing Cash & Equivalents	1,059	1,137	1,613	1,888	3,219	614	4,022	3,692

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	20.8	20.5
EBITDA Margin	18.2	17.8	16.7	17.1	16.3	15.8	16.6	16.4
EBIT Margin	13.6	13.2	13.1	13.5	11.5	11.1	12.1	12.6
APAT Margin	5.5	7.2	8.3	8.4	4.7	4.0	5.0	6.0
RoE	23.2	24.8	29.5	26.9	12.2	9.5	11.5	15.3
Core RoCE	17.3	18.1	20.5	20.7	12.4	12.5	14.8	18.7
RoCE	16.6	18.2	19.7	18.1	10.8	9.7	11.2	13.5
<b>EFFICIENCY</b>								
Tax Rate (%)	12	(0)	7	5	26	25.2	25.2	25.2
Asset Turnover (x)	2.1	2.1	2.7	2.7	2.3	2.2	2.3	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	72	67
Other Current Liabilities & Provns (days)	55.4	62	46	45	60	70	59	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>109</b>	<b>110</b>
Debt/EBITDA (x)	3.4	2.9	2.3	2.3	2.3	2.3	1.9	1.6
Net D/E	2.3	1.3	1.1	1.1	0.8	0.8	0.6	0.6
Interest Coverage	1.4	1.6	2.1	2.3	1.7	1.7	1.8	2.2
<b>PER SHARE DATA</b>		2.8	2.2	2.2	2.0	2.2	1.7	1.4
EPS (Rs/sh)	16.1	26.4	46.5	55.6	30.4	26.2	35.0	52.9
CEPS (Rs/sh)	29.5	43.0	66.6	79.0	61.4	57.5	66.7	86.3
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	288.2	320.9	370.4
<b>VALUATION</b>								
P/E	16.2	9.9	5.6	6.6	12.1	14.0	10.5	6.9
P/BV	4.7	2.7	2.0	1.6	1.4	1.3	1.1	1.0
EV/EBITDA	8.2	6.8	5.0	5.4	5.5	4.8	1.7	1.4
EV/Net Revenues	1.8	1.5	1.0	0.9	0.9	0.8	0.3	0.2
OCF/EV (%)	5.7	8.8	6.6	11.4	23.3	13.0	58.2	27.1
FCF/EV (%)	0.2	2.2	(0.1)	4.6	19.4	10.1	50.4	19.6
FCFE/Market Cap (%)	(2.4)	(5.0)	2.7	5.7	12.1	1.8	1,452.4	(71.3)
Dividend Yield (%)	0.0	0.3	0.3	0.3	0.3	0.3	0.3	0.3

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	13,353
<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>14,005</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>18,480</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	1,768	2,628	3,488
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>7,042</b>	<b>8,308</b>	<b>9,481</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	1,320	1,316	2,341
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>13,133</b>	<b>16,098</b>	<b>18,850</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>6,696</b>	<b>7,464</b>	<b>8,958</b>
<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>18,480</b>

Source: Company, HSIE Research

**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)	(860)	(860)	(860)
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>(1,356)</b>	<b>(1,874)</b>	<b>(1,973)</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>1,080</b>	<b>(4)</b>	<b>1,026</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>1,320</b>	<b>1,316</b>	<b>2,341</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	18.9
Core RoCE	16.0	17.5	14.1	15.1	18.2	17.1	21.8	24.2
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	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	0.2	0.2	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	215
<b>VALUATION</b>								
P/E	41.7	23.6	14.9	10.2	7.6	8.7	6.3	5.2
P/BV	9.9	7.1	2.3	1.9	1.5	1.3	1.1	0.9
EV/EBITDA	17.6	11.6	7.2	5.3	4.7	4.7	3.5	2.9
OCF/EV (%)	2.3	0.0	(0.0)	0.1	0.2	0.2	0.2	0.3
FCF/EV (%)	(2.1)	(3.0)	(17.3)	(2.6)	10.1	15.7	10.7	16.7
FCFE/Market Cap (%)	0.4	1.4	(7.7)	(9.3)	7.5	14.6	6.1	14.2
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	FY20E	FY21E	FY22E	FY23E
<b>Net Revenues</b>	<b>51,279</b>	<b>58,459</b>	<b>56,941</b>	<b>67,070</b>	<b>68,522</b>	<b>50,775</b>	<b>57,850</b>	<b>62,915</b>
<i>Growth (%)</i>	<i>33.3</i>	<i>14.0</i>	<i>(2.6)</i>	<i>17.8</i>	<i>2.2</i>	<i>(25.9)</i>	<i>13.9</i>	<i>8.8</i>
Material Expenses	20,538	22,867	23,965	31,200	32,524	24,372	26,611	28,941
Employee Expenses	2,465	2,726	2,914	2,862	2,873	2,183	2,488	2,705
Other Operating Expenses	1,673	2,384	3,267	3,636	3,411	2,133	2,430	2,642
<b>EBIDTA</b>	<b>26,603</b>	<b>30,483</b>	<b>26,795</b>	<b>29,372</b>	<b>29,714</b>	<b>22,087</b>	<b>26,322</b>	<b>28,627</b>
<i>EBIDTA Margin (%)</i>	<i>51.9</i>	<i>52.1</i>	<i>47.1</i>	<i>43.8</i>	<i>43.4</i>	<i>43.5</i>	<i>45.5</i>	<i>45.5</i>
<i>EBIDTA Growth (%)</i>	<i>20.3</i>	<i>14.6</i>	<i>(12.1)</i>	<i>9.6</i>	<i>1.2</i>	<i>(25.7)</i>	<i>19.2</i>	<i>8.8</i>
Depreciation	8,533	8,548	5,440	5,395	4,683	6,583	7,371	7,660
<b>EBIT</b>	<b>18,069</b>	<b>21,935</b>	<b>21,355</b>	<b>23,977</b>	<b>25,031</b>	<b>15,504</b>	<b>18,951</b>	<b>20,966</b>
Other Income (Incl EO items)	1,272	1,232	2,954	1,956	2,523	1,755	1,799	1,761
Interest	10,639	13,327	9,667	11,201	15,644	14,598	14,809	14,480
<b>PBT</b>	<b>8,702</b>	<b>9,839</b>	<b>14,642</b>	<b>14,732</b>	<b>11,911</b>	<b>2,661</b>	<b>5,941</b>	<b>8,247</b>
Tax	2,306	2,685	5,444	6,234	4,544	825	1,842	2,557
<b>RPAT</b>	<b>6,395</b>	<b>7,154</b>	<b>9,198</b>	<b>8,499</b>	<b>7,367</b>	<b>1,836</b>	<b>4,099</b>	<b>5,690</b>
Minority Interest/Share of associates	4	(1)	-	-	(158)	15	30	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>6,635</b>	<b>1,851</b>	<b>4,129</b>	<b>5,720</b>
<i>APAT Growth (%)</i>	<i>14.9</i>	<i>12.3</i>	<i>13.2</i>	<i>7.2</i>	<i>(21.9)</i>	<i>(72.1)</i>	<i>123.1</i>	<i>38.5</i>
<b>Adjusted EPS (Rs/sh)</b>	<b>17.7</b>	<b>19.9</b>	<b>22.6</b>	<b>24.2</b>	<b>18.9</b>	<b>5.3</b>	<b>11.7</b>	<b>16.3</b>
<i>EPS Growth (%)</i>	<i>14.9</i>	<i>12.3</i>	<i>13.2</i>	<i>7.2</i>	<i>(21.9)</i>	<i>(72.1)</i>	<i>123.1</i>	<i>38.5</i>

Source: Company, HSIE Research

### Consolidated Balance Sheet

As at March	FY16	FY17	FY18	FY19E	FY20E	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	64,736	67,907	72,300
<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>68,250</b>	<b>71,422</b>	<b>75,815</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>2,90,853</b>	<b>3,51,966</b>	<b>3,59,373</b>	<b>3,67,766</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	2,80,190	2,81,553	2,73,147
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>3,64,063</b>	<b>3,70,855</b>	<b>3,67,878</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	14,883	13,867	23,290
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>40,334</b>	<b>41,965</b>	<b>54,373</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>(12,097)</b>	<b>(11,513)</b>	<b>(172)</b>
Misc Expenses & Others	-	-	-	-	-	-	30	60
<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>2,90,853</b>	<b>3,51,966</b>	<b>3,59,373</b>	<b>3,67,766</b>

Source: Company, HSIE Research

**Consolidated Cash Flow**

Year ending March	FY16	FY17	FY18	FY19E	FY20E	FY21E	FY22E	FY23E
Reported PBT	8,702	9,839	14,642	14,732	11,897	2,661	5,941	8,247
Non-operating & EO items	(869)	(548)	(2,347)	(1,891)	(2,835)	(1,738)	(1,799)	(1,761)
Interest expenses	10,639	13,327	9,667	11,201	15,644	14,598	14,809	14,480
Depreciation	8,533	8,548	5,440	5,395	4,683	6,583	7,371	7,660
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)	(825)	(1,842)	(2,557)
<b>OPERATING CASH FLOW ( a )</b>	<b>23,398</b>	<b>32,093</b>	<b>21,325</b>	<b>27,098</b>	<b>37,948</b>	<b>(39,739)</b>	<b>21,450</b>	<b>22,724</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)	(14,104)	(45,778)	12,716	23,470
Investments + Interest Income	151	(2,192)	13,485	1,358	2,999	(8,245)	(4,201)	(4,239)
<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>(14,284)</b>	<b>(12,935)</b>	<b>(3,493)</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)	(14,598)	(14,809)	(14,480)
Dividend	(2,538)	(846)	(3,384)	(1,059)	(50)	(429)	(958)	(1,327)
<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>46,199</b>	<b>(9,531)</b>	<b>(9,807)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>(1,333)</b>	<b>94</b>	<b>(789)</b>	<b>660</b>	<b>1,951</b>	<b>(7,824)</b>	<b>(1,016)</b>	<b>9,423</b>
Closing Cash & Equivalents	15,008	13,077	14,516	15,926	22,707	14,883	13,867	23,290

Source: Company, HSIE Research

**Key Ratios**

	FY16	FY17	FY18	FY19E	FY20E	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	30.5	32.8	33.3
APAT Margin	12.2	12.0	13.9	12.7	9.7	3.6	7.1	9.1
RoE	13.6	13.9	14.5	14.2	10.2	2.7	5.9	7.8
RoIC	3.5	4.4	3.8	3.9	5.4	4.2	4.6	5.1
RoCE	3.5	4.4	3.8	4.0	5.0	3.7	4.0	4.3
<b>EFFICIENCY</b>								
Tax Rate (%)	26.5	27.3	37.2	42.3	38.1	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	24.3	21.8	20.4
Debtors (days)	0.6	4.4	8.5	6.2	23.5	31.1	29.3	28.9
Other Current Assets (days)	45.8	174.7	60.6	78.1	78.6	127.6	126.2	131.0
Current Liab (days)	63.0	73.8	123.8	251.8	571.6	376.0	336.6	315.7
Provision (days)	0.7	0.5	0.6	2.2	0.7	0.9	0.8	0.7
Cash Conversion Cycle (days)	4.7	126.7	(24.1)	(145.7)	(452.6)	(193.9)	(160.1)	(136.1)
Debt/EBITDA (x)	5.9	4.6	5.2	5.6	2.9	6.6	5.8	5.5
Net D/E	2.9	2.4	2.2	2.4	0.9	1.9	1.9	1.8
Interest Coverage	1.7	1.6	2.2	2.1	1.6	1.1	1.3	1.4
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	17.7	19.9	22.6	24.2	18.9	5.3	11.7	16.3
CEPS (Rs/sh)	42.0	44.3	38.0	39.5	32.2	24.0	32.7	38.1
DPS (Rs/sh)	4.0	4.1	5.2	4.8	4.1	1.1	2.3	3.3
BV (Rs/sh)	137.6	150.0	162.0	179.7	190.2	194.2	203.2	215.7
<b>VALUATION</b>								
P/E	6.8	6.0	5.3	5.0	6.4	22.8	10.2	7.4
P/BV	0.9	0.8	0.4	0.4	0.4	0.4	0.3	0.3
EV/EBITDA	6.9	5.5	6.2	6.5	3.5	7.1	6.2	5.6
EV/Revenues	3.6	2.9	2.9	2.9	1.5	3.1	2.8	2.5
OCF/EV (%)	0.1	0.2	0.1	0.1	0.4	(0.3)	0.1	0.1
FCF/EV (%)	(4.5)	2.6	(11.1)	(8.6)	(13.5)	(29.3)	7.8	14.6
FCFE/Market Cap (%)	2.5	7.4	(25.8)	1.5	(2.4)	3.4	16.7	60.5
Dividend Yield (%)	3.3	3.4	4.4	4.0	3.4	0.9	2.0	2.7

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	22,351	34,868	40,098
<i>Growth (%)</i>	(4.3)	(29.9)	21.5	14.3	(21.9)	56.0	15.0
Material Expenses	19,548	10,858	14,826	17,526	13,821	21,113	24,280
Employee Expenses	2,219	2,574	3,189	3,463	2,800	3,731	4,010
Other Operating Expenses	4,967	4,459	4,531	4,663	3,593	6,503	7,719
<b>EBIDTA</b>	2,643	2,714	2,492	2,956	2,137	3,521	4,090
<i>EBIDTA (%)</i>	9.0	13.2	10.0	10.3	9.6	10.1	10.2
<i>EBIDTA Growth (%)</i>	38.0	2.7	(8.2)	18.6	(27.7)	64.8	16.1
Depreciation	463	577	676	965	991	1,086	1,169
<b>EBIT</b>	2,180	2,137	1,815	1,991	1,146	2,435	2,921
Other Income (incl. EO Items)	272	135	224	(362)	22	33	32
Interest	891	876	1,013	1,305	1,336	1,196	1,289
<b>PBT</b>	1,561	1,396	1,027	324	(168)	1,273	1,664
Tax	479	528	469	163	-	331	433
Profits from Associates	(570)	(138)	(10)	278	205	230	177
<b>RPAT</b>	512	729	547	439	36	1,172	1,409
Minority Interest	-	-	(6)	-	-	-	-
EO items (net of tax)	-	218	-	409	-	-	-
<b>APAT</b>	512	947	554	848	36	1,172	1,409
<i>APAT Growth (%)</i>	6.0	85.0	(41.6)	53.1	(96)	3,114	20.2
<b>Adj. EPS</b>	3.3	6.1	3.2	4.9	0.2	6.8	8.2
<i>EPS Growth (%)</i>	6.0	85.0	(47.2)	53.1	(95.7)	3,113.6	20.2

Source: Company, HSIE Research

## Consolidated Balance Sheet

As at March	CY16	CY17	FY19	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>							
Share Capital	155	155	172	172	172	172	172
Reserves	5,373	6,018	10,037	10,354	10,391	11,563	12,971
<b>Total Shareholders Funds</b>	5,528	6,173	10,209	10,526	10,562	11,735	13,143
Minority Interest	-	-	-	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>	3,562	4,886	5,323	4,739	4,839	5,139	5,289
Deferred Taxes	(20)	(17)	-52	(20)	(20)	(20)	(20)
<b>TOTAL SOURCES OF FUNDS</b>	9,160	11,153	15,635	16,125	16,234	17,706	19,265
<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
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>	6,973	7,167	6,749	7,852	7,788	8,206	8,247
Inventories	1,106	1,574	2,461	2,894	2,327	3,821	3,845
Debtors	2,433	2,429	4,396	5,851	4,593	5,732	7,141
Cash & Equivalents	1,653	1,158	1,087	2,814	2,772	1,878	3,183
ST Loans & Advances, Others	6,617	11,607	11,198	11,619	11,023	14,329	12,084
<b>Total Current Assets</b>	11,809	16,768	19,142	23,178	20,714	25,761	26,253
Trade Payables	6,140	6,217	5,592	6,567	5,511	6,687	8,789
Other Liabilities	3,488	6,572	4,670	8,345	6,736	9,553	6,591
<b>Total Current Liabilities</b>	9,627	12,789	10,262	14,912	12,247	16,240	15,380
<b>Net Current Assets</b>	2,181	3,979	8,880	8,266	8,467	9,521	10,873
Misc Expenses & Others	0	0	0	1	(26)	(26)	145
<b>TOTAL APPLICATION OF FUNDS</b>	9,160	11,153	15,635	16,125	16,234	17,706	19,265

Source: Company, HSIE Research

## Infrastructure: Sector Thematic

### Consolidated Cash Flow

Year ending March	CY16	CY17	FY19	FY20	FY21E	FY22E	FY23E
PBT	991	1,257	1,347	601	(168)	1,273	1,664
Non-operating & EO items/JV profits	558	201	(30)	142	183	197	0
Interest expenses	891	876	1,243	1,305	1,336	1,196	1,289
Depreciation	463	577	824	965	991	1,086	1,169
Working Capital Change	683	(2,271)	(4,169)	2,187	(243)	(1,947)	(48)
Tax paid	(327)	42	(557)	(435)	-	(331)	(433)
<b>OPERATING CASH FLOW ( a )</b>	<b>3,260</b>	<b>682</b>	<b>(1,342)</b>	<b>4,765</b>	<b>2,098</b>	<b>1,474</b>	<b>3,642</b>
Capex	(950)	(1,707)	(1,249)	(1,097)	(927)	(1,504)	(1,200)
Free cash flow (FCF)	2,309	(1,025)	(2,591)	3,668	1,172	(31)	2,437
Investments	747	2	85	(73)	22	33	6
<b>INVESTING CASH FLOW ( b )</b>	<b>(203)</b>	<b>(1,705)</b>	<b>(1,164)</b>	<b>(1,169)</b>	<b>(905)</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)	(1,336)	(1,196)	(1,289)
FCFE	87	(573)	(3,385)	1,629	(64)	(926)	1,298
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>(1,236)</b>	<b>(896)</b>	<b>(1,139)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>834</b>	<b>(627)</b>	<b>(71)</b>	<b>1,474</b>	<b>(42)</b>	<b>(893)</b>	<b>1,304</b>
Non-operating and EO items			-	254			
Closing Cash & Equivalents	1,653	1,158	1,087	2,814	2,772	1,878	3,183

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	38.2	39.4	39.4
EBITDA Margin	9.0	13.2	10.0	10.3	9.6	10.1	10.2
APAT Margin	1.7	4.6	2.2	3.0	0.2	3.4	3.5
RoE	9.7	16.2	6.8	8.2	0.3	10.5	11.4
Core RoCE	20.1	13.3	6.8	7.4	9.6	12.6	14.9
RoCE	12.3	13.4	7.1	9.3	8.5	11.6	12.3
<b>EFFICIENCY</b>							
Tax Rate (%)	30.7	37.8	45.7	50.4	0.0	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	35
Debtors (days)	30	43	64	75	75	60	65
Other Current Assets (days)	82	206	163	148	180	150	110
Payables (days)	76	110	82	84	59	63	80
Other Current liabilities (days)	43	116	68	106	72	89	60
NWC (days)	7	50	114	70	162	98	70
Debt/EBITDA (x)	1.3	1.8	2.1	1.6	2.3	1.5	1.3
Net D/E	0.345	0.60	0.4	0.2	0.2	0.3	0.2
Interest Coverage	2.4	2.4	1.8	1.5	0.9	2.0	2.3
<b>PER SHARE DATA</b>							
EPS (Rs/sh)	3.3	6.1	3.2	4.9	0.2	6.8	8.2
CEPS (Rs/sh)	6.3	8.4	7.1	8.2	6.0	13.1	15.0
DPS (Rs/sh)	0.0	0.3	0.3	0.3	1.0	1.0	1.0
BV (Rs/sh)	35.6	39.8	59.4	61.3	61.5	68.3	76.5
<b>VALUATION</b>							
P/E	15.2	8.2	15.5	10.1	235.5	7.3	6.1
P/BV	1.4	1.3	0.8	0.8	0.8	0.7	0.7
EV/EBITDA	3.7	4.2	5.1	3.6	5.0	3.4	2.6
EV/Revenues	0.3	0.6	0.5	0.4	0.5	0.3	0.3
OCF/EV (%)	33.7	5.9	(8.4)	45.3	19.7	12.4	34.1
FCF/EV (%)	23.9	(8.9)	(16.2)	34.9	11.0	(0.3)	22.8
FCFE/Market Cap (%)	1.1	(7.4)	(31.5)	19.0	(0.7)	(10.8)	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
Net Sales	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	4,034	4,639
<b>EBIDTA</b>	<b>2,484</b>	<b>2,505</b>	<b>3,212</b>	<b>4,363</b>	<b>4,290</b>	<b>2,199</b>	<b>4,560</b>	<b>5,244</b>
<i>EBIDTA (%)</i>	17.6	15.6	15.7	15.7	14.4	10.7	15.3	15.3
<i>EBIDTA Growth (%)</i>	(0.9)	0.9	28.2	35.8	(1.7)	(48.7)	107.4	15.0
Depreciation	512	556	727	1,022	1,262	1,318	1,458	1,563
<b>EBIT</b>	<b>1,972</b>	<b>1,949</b>	<b>2,485</b>	<b>3,341</b>	<b>3,027</b>	<b>880</b>	<b>3,103</b>	<b>3,682</b>
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>	<b>1,538</b>	<b>1,598</b>	<b>2,066</b>	<b>2,683</b>	<b>2,333</b>	<b>205</b>	<b>2,399</b>	<b>3,036</b>
Tax	506	525	701	912	497	53	624	764
<b>RPAT</b>	<b>1,032</b>	<b>1,073</b>	<b>1,365</b>	<b>1,771</b>	<b>1,836</b>	<b>152</b>	<b>1,775</b>	<b>2,271</b>
EO items (net of tax)	(2)	(50)	(37)	-	-	-	-	-
<b>APAT</b>	<b>1,030</b>	<b>1,023</b>	<b>1,328</b>	<b>1,771</b>	<b>1,836</b>	<b>152</b>	<b>1,775</b>	<b>2,271</b>
<i>APAT Growth (%)</i>	10.0	(0.7)	29.8	33.4	3.7	(91.7)	1,071.1	28.0
EPS	9.5	9.5	12.3	16.4	17.0	1.4	16.4	21.0
<i>EPS Growth (%)</i>	(22.9)	(0.7)	29.8	33.4	3.7	(91.7)	1,071.1	28.0

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	17,851	19,161	20,968
<b>Total Shareholders Funds</b>	<b>12,833</b>	<b>13,908</b>	<b>15,087</b>	<b>16,675</b>	<b>18,310</b>	<b>18,229</b>	<b>19,539</b>	<b>21,346</b>
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>	<b>3,540</b>	<b>4,368</b>	<b>5,804</b>	<b>6,911</b>	<b>6,738</b>	<b>7,338</b>	<b>6,938</b>	<b>6,538</b>
Deferred Taxes	170	184	289	366	274	274	274	274
<b>TOTAL SOURCES OF FUNDS</b>	<b>16,543</b>	<b>18,460</b>	<b>21,180</b>	<b>23,952</b>	<b>25,321</b>	<b>25,841</b>	<b>26,757</b>	<b>28,164</b>
<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>	<b>6,773</b>	<b>8,310</b>	<b>11,290</b>	<b>12,259</b>	<b>13,030</b>	<b>12,671</b>	<b>12,307</b>	<b>12,176</b>
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	1,554	2,273	1,918
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>	<b>12,875</b>	<b>19,321</b>	<b>22,325</b>	<b>22,714</b>	<b>23,764</b>	<b>24,551</b>	<b>25,864</b>	<b>29,240</b>
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>	<b>3,105</b>	<b>9,171</b>	<b>12,435</b>	<b>11,022</b>	<b>11,474</b>	<b>11,381</b>	<b>11,420</b>	<b>13,258</b>
<b>Net Current Assets</b>	<b>9,770</b>	<b>10,150</b>	<b>9,890</b>	<b>11,692</b>	<b>12,291</b>	<b>13,170</b>	<b>14,445</b>	<b>15,982</b>
<b>TOTAL APPLICATION OF FUNDS</b>	<b>16,543</b>	<b>18,460</b>	<b>21,180</b>	<b>23,952</b>	<b>25,321</b>	<b>25,841</b>	<b>26,757</b>	<b>28,164</b>

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	2,399	3,036
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)	(624)	(764)
<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>2,998</b>	<b>2,165</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	2,298	1,165
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)	(232)	(465)	(465)
<b>FINANCING CASH FLOW ( c )</b>	<b>1,713</b>	<b>103</b>	<b>550</b>	<b>(15)</b>	<b>(1,475)</b>	<b>(597)</b>	<b>(1,843)</b>	<b>(1,788)</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>962</b>	<b>719</b>	<b>(356)</b>
Closing Cash & Equivalents	1,736	1,006	975	704	591	1,554	2,273	1,918

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	15.3	15.3
EBIT Margin	14.0	12.1	12.1	12.0	10.2	4.3	10.4	10.7
APAT Margin	7.3	6.4	6.5	6.4	6.2	0.7	5.9	6.6
RoE	9.9	7.7	9.2	11.1	10.5	0.8	9.4	11.1
Core RoCE	15.1	13.7	14.4	17.1	14.3	4.0	13.9	16.0
RoCE	14.1	12.7	14.4	17.1	14.3	4.0	13.9	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	1.5
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
<b>NWC (days)</b>	<b>208</b>	<b>208</b>	<b>159</b>	<b>144</b>	<b>144</b>	<b>206</b>	<b>149</b>	<b>149</b>
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	3.2	4.0
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	9.5	9.5	12.3	16.4	17.0	1.4	16.4	21.0
CEPS (Rs/sh)	14.3	14.6	19.0	25.9	28.7	13.6	29.9	35.5
DPS (Rs/sh)	2.0	2.0	2.0	2.0	2.2	1.2	2.5	2.5
BV (Rs/sh)	118.8	128.8	139.7	154.4	169.5	168.8	180.9	197.6
<b>VALUATION</b>								
P/E	11.3	11.4	8.8	6.6	6.4	76.9	6.6	5.1
P/BV	0.9	0.8	0.8	0.7	0.6	0.6	0.6	0.5
EV/EBITDA	5.4	6.0	5.1	4.1	4.2	7.9	3.6	3.1
OCF/EV (%)	5.1	(1.3)	16.1	4.6	14.5	10.8	18.4	13.3
FCF/EV (%)	1.0	(10.6)	(4.1)	(1.5)	5.7	7.3	14.1	7.2
FCFE/Market Cap (%)	(18.0)	(11.2)	0.4	(0.9)	(2.2)	7.9	7.9	(1.4)
Dividend Yield (%)	1.9	1.9	1.9	1.9	2.1	1.1	2.3	2.3

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>	24,008	23,284	27,556	32,528	37,130	28,587	37,171	42,940
<i>Growth (%)</i>	0.0	(3.0)	18.3	18.0	14.1	(23.0)	30.0	15.5
Material Expenses (incl. construction cost)	18,454	17,365	20,525	25,057	28,151	21,701	28,194	32,790
Employee Expenses	2,256	2,357	2,664	3,025	3,464	3,002	3,568	4,122
Other Operating Expenses	1,162	1,450	1,520	1,076	1,402	1,198	1,394	1,390
<b>Operating Profits</b>	2,136	2,111	2,848	3,371	4,114	2,687	4,014	4,637
<i>Operating Profit Margin (%)</i>	8.9	9.1	10.3	10.4	11.1	9.4	10.8	10.8
<b>EBIDTA</b>	2,136	2,111	2,848	3,371	4,114	2,687	4,014	4,637
<i>EBIDTA (%)</i>	8.9	9.1	10.3	10.4	11.1	9.4	10.8	10.8
<i>EBIDTA Growth (%)</i>	30.7	(1.2)	34.9	18.4	22.0	(34.7)	49.4	15.5
Depreciation	517	574	717	781	1,173	1,364	1,471	1,607
<b>EBIT</b>	1,619	1,538	2,131	2,589	2,940	1,323	2,544	3,031
Other Income (Incl. EO Items)	82	137	176	248	- 520	278	282	286
Interest	1,043	832	858	951	1,252	1,258	1,332	1,368
<b>PBT</b>	659	843	1,450	1,887	1,168	343	1,494	1,949
Tax	217	244	388	464	378	36	376	491
<b>RPAT</b>	442	599	1,061	1,423	790	307	1,118	1,458
EO items (net of tax)	-	-	-	-	795	-	-	-
<b>APAT</b>	442	599	1,061	1,423	1,585	307	1,118	1,458
<i>APAT Growth (%)</i>	48.0	35.5	77.2	34.1	11.4	(80.6)	264.5	30.5
<b>EPS</b>	2.6	3.6	6.3	8.5	9.4	1.8	6.7	8.7
<i>EPS Growth (%)</i>	15.1	35.5	77.2	34.1	11.4	(80.6)	264.5	30.5

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	9,125	9,897	11,010
<b>Total Shareholders Funds</b>	6,378	6,897	7,890	9,233	9,700	9,461	10,233	11,346
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>	7,360	6,363	7,366	7,567	8,390	8,968	8,380	7,880
Deferred Taxes	(449)	(363)	(352)	(363)	(475)	(475)	(475)	(475)
Other Non Current Liabilities	3,688	5,242	5,860	5,796	4,981	4,960	6,259	7,140
<b>TOTAL SOURCES OF FUNDS</b>	16,977	18,140	20,764	22,234	22,596	22,914	24,397	25,891
<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	9,716
Other Non Current Assets	1,027	1,035	627	585	1,111	756	881	961
<b>Total Non-current Assets</b>	10,216	11,150	11,885	13,050	15,708	15,680	15,798	15,271
Inventories	1,586	1,795	1,923	2,481	2,412	2,193	2,546	2,941
Debtors	6,688	6,576	7,358	9,226	9,097	7,832	9,165	10,588
Cash & Equivalents	345	260	1,460	771	538	1,351	1,130	1,307
ST Loans & Advances	145	81	222	247	466	330	300	270
Other Assets	7,643	8,110	10,957	13,295	13,681	13,262	13,793	15,867
<b>Total Current Assets</b>	16,407	16,822	21,920	26,020	26,194	24,969	26,934	30,973
Creditors	6,764	7,439	8,286	11,722	11,626	9,790	10,184	11,764
Other Current Liabilities & Provns	2,881	2,394	4,755	5,113	7,678	7,540	7,543	7,779
<b>Total Current Liabilities</b>	9,645	9,833	13,041	16,835	19,304	17,330	17,727	19,543
<b>Net Current Assets</b>	6,762	6,989	8,879	9,185	6,888	7,636	9,204	11,428
Misc Expenses & Others	0	0	0	0	0	(402)	(605)	(808)
<b>TOTAL APPLICATION OF FUNDS</b>	16,978	18,140	20,764	22,235	22,596	22,914	24,397	25,891

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	343	1,494	1,949
Non-operating & EO items	(55)	(124)	470	(146)	705	(278)	(282)	(286)
Interest expenses	1,043	832	858	951	1,304	1,258	1,332	1,368
Depreciation	517	574	717	781	1,173	1,364	1,471	1,607
Working Capital Change	(1,097)	533	(713)	(1,095)	(768)	398	(616)	(1,245)
Tax paid	(512)	(158)	(223)	(519)	8	(36)	(376)	(491)
<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>3,049</b>	<b>3,023</b>	<b>2,902</b>
Capex	(817)	(771)	(899)	(1,504)	(1,862)	(926)	(1,000)	(1,000)
Free cash flow (FCF)	(262)	1,728	1,659	354	1,729	2,123	2,023	1,902
Investments	102	0	(635)	(410)	(785)	(765)	(463)	0
Interest Income	(445)	96	121	221	(495)	278	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>(1,413)</b>	<b>(1,181)</b>	<b>(714)</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)	(1,258)	(1,332)	(1,368)
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>(823)</b>	<b>(2,063)</b>	<b>(2,011)</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>813</b>	<b>(221)</b>	<b>178</b>
Closing Cash & Equivalents	345	260	1,460	771	538	1,351	1,130	1,307

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	24.2	24.1	24.2	23.6
EBITDA Margin	8.9	9.1	10.3	10.4	11.1	9.4	10.8	10.8
EBIT Margin	6.7	6.6	7.7	8.0	7.9	4.6	6.8	7.1
APAT Margin	1.8	2.6	3.9	4.4	4.3	1.1	3.0	3.4
RoE	7.9	9.0	14.4	16.6	16.7	3.2	11.4	13.5
Core RoCE	15.0	17.5	24.3	23.8	23.2	16.1	26.1	29.4
RoCE	8.6	9.2	11.3	13.0	13.8	8.0	11.7	13.2
<b>EFFICIENCY</b>								
Tax Rate (%)	32.9	29.0	26.8	24.6	32.3	10.5	25.2	25.2
Asset Turnover (x)	6.1	5.2	5.1	4.7	4.2	3.0	3.5	3.7
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	174	138	137
Other Current Liab (days)	44	38	63	57	75	96	74	66
<b>Net Working Capital Cycle (Days)</b>	<b>98</b>	<b>105</b>	<b>98</b>	<b>94</b>	<b>62</b>	<b>80</b>	<b>79</b>	<b>86</b>
Debt/EBITDA (x)	3.4	3.0	2.6	2.2	2.0	3.3	2.1	1.7
Net D/E	1.1	0.9	0.7	0.7	0.8	0.8	0.7	0.6
Interest Coverage	1.6	1.8	2.5	2.7	2.3	1.1	1.9	2.2
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	2.6	3.6	6.3	8.5	9.4	1.8	6.7	8.7
CEPS (Rs/sh)	5.7	7.0	10.6	13.1	16.4	10.0	15.4	18.3
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	56	61	68
<b>VALUATION</b>								
P/E	33.4	24.7	9.2	6.8	9.3	31.7	8.7	6.7
P/BV	2.3	2.1	1.2	1.1	1.0	1.0	1.0	0.9
EV/EBITDA	10.2	9.9	5.5	4.9	5.5	6.5	4.2	3.5
OCF/EV (%)	2.5	0.1	0.2	0.1	0.2	0.2	0.2	0.2
FCF/EV (%)	(1.2)	8.3	10.6	2.1	7.6	12.2	11.9	11.7
FCFE/Market Cap (%)	(6.2)	(0.9)	18.3	(3.9)	8.6	14.8	1.1	0.4
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Company, HSIE Research

## Infrastructure: Sector Thematic

### 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	1,639	2,010	2,425
<b>EBIT</b>	1,106	1,657	2,521	2,589	2,952	2,900	3,571	4,582
Other Income (Incl. EO Items)	317	194	393	608	459	509	519	597
Interest	132	219	231	291	474	490	639	628
<b>PBT</b>	1,291	1,632	2,683	2,906	2,937	2,919	3,451	4,551
Tax	(319)	60	(38)	273	685	730	869	1,145
<b>RPAT</b>	1,611	1,573	2,721	2,633	2,252	2,189	2,583	3,405
EO items (net of tax)	(165)	(194)	(1,099)	(343)	107	-	-	-
<b>APAT</b>	1,445	1,378	1,622	2,290	2,359	2,189	2,583	3,405
<i>APAT Growth (%)</i>	97.9	(4.6)	17.7	41.2	3.0	(7.2)	18.0	31.9
<b>EPS</b>	10.3	9.8	11.5	16.3	16.8	15.6	18.4	24.2
<i>EPS Growth (%)</i>	97.9	(4.6)	17.7	41.2	3.0	(7.2)	18.0	31.9

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	281	281	281	281	281	281	281	281
Reserves	7,096	8,674	11,298	13,862	15,958	18,135	20,633	23,954
<b>Total Shareholders Funds</b>	7,377	8,955	11,579	14,143	16,239	18,416	20,914	24,235
Long Term Debt	1,125	1,441	2,203	2,472	1,961	3,643	3,653	3,663
Short Term Debt	-	-	-	169	336	336	586	836
<b>Total Debt</b>	1,125	1,441	2,203	2,641	2,297	3,980	4,240	4,500
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	20,962	23,720	27,301
<b>APPLICATION OF FUNDS</b>								
Net Block	1,762	2,576	3,315	3,710	3,805	4,339	4,829	4,904
CWIP	59	15	-	-	102	102	102	102
Investments, LT Loans & Advances	3,451	5,297	5,619	6,201	7,149	9,656	10,756	11,256
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	16,863	18,678	19,586
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	764	228	1,087
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	12,906	13,323	17,419
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	4,099	5,042	7,715
Misc Expenses & Others	-	-	-	-	-	-	-	-
<b>TOTAL APPLICATION OF FUNDS</b>	8,453	9,894	12,658	15,226	17,102	20,962	23,720	27,301

Source: Company, HSIE Research

## Infrastructure: 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	2,919	3,451	4,551
Non-operating & EO items	(86)	20	(119)	(347)	(239)	(509)	(519)	(312)
Interest expenses	132	219	231	291	473	490	639	628
Depreciation	423	639	1,341	1,681	1,923	1,639	2,010	2,425
Working Capital Change	830	730	(2,330)	(1,506)	(309)	(385)	(1,703)	(2,059)
Tax paid	(56)	(75)	(237)	(550)	(844)	(730)	(869)	(1,145)
<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>3,423</b>	<b>3,009</b>	<b>4,088</b>
Capex	(595)	(1,383)	(2,009)	(2,034)	(2,078)	(2,173)	(2,500)	(2,500)
Free cash flow (FCF)	1,939	1,782	(442)	441	1,863	1,251	509	1,588
Investments	(1,455)	(1,836)	(259)	(826)	(1,087)	(2,507)	(876)	(276)
Other non operating income	-	-	-	-	266	509	519	-
<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>(4,171)</b>	<b>(2,857)</b>	<b>(2,776)</b>
Share capital Issuance	-	-	-	169	-	-	-	-
Debt Issuance	204	273	763	268	(344)	1,683	260	260
Interest expenses	(128)	(220)	(189)	(298)	(401)	(490)	(639)	(628)
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>1,108</b>	<b>(687)</b>	<b>(453)</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>361</b>	<b>(535)</b>	<b>859</b>
Opening cash balance	157	650	649	438	130	330	764	228
Cash not included in Cash and Cash Equivalents	-	-	-	5	57	72	0	-
Closing Cash & Equivalents	650	649	438	130	330	764	228	1,087

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	12.1	12.5	12.9
APAT Margin	16.0	8.9	8.4	10.7	10.5	9.1	9.0	9.6
RoE	22.1	16.9	15.8	17.8	15.5	12.6	13.1	15.1
Core RoCE	31.7	40.4	38.7	26.4	23.5	20.6	21.0	22.9
RoCE	19.0	16.1	14.7	16.8	15.9	12.2	12.9	14.2
<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	1.7	1.7	1.9
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	0.9	0.8	0.6
Net D/E	0.06	0.09	0.2	0.2	0.1	0.2	0.2	0.1
Interest Coverage	8.4	7.6	10.9	8.9	6.2	5.9	5.6	7.3
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	10.3	9.8	11.5	16.3	16.8	15.6	18.4	24.2
CEPS (Rs/sh)	13.3	14.3	21.1	28.2	30.4	27.2	32.7	41.5
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	149	172
<b>VALUATION</b>								
P/E	24.4	25.6	21.8	15.4	15.0	16.1	13.7	10.4
P/BV	4.9	3.9	3.0	2.5	2.2	1.9	1.7	1.5
EV/EBITDA	23.4	15.7	9.6	8.9	7.7	8.5	7.0	5.5
OCF/EV (%)	7.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1
FCF/EV (%)	5.4	4.9	(1.2)	1.2	5.0	3.2	1.3	4.1
FCFE/Market Cap (%)	5.7	5.2	0.4	1.2	3.2	6.9	0.4	3.5
Dividend Yield (%)	0.2	0.0	0.2	0.2	0.4	0.2	0.2	0.2

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	70,791	89,422	1,10,289
<i>Growth (%)</i>	0.3	(5.2)	(5.8)	62.4	(32.0)	(13.9)	26.3	23.3
Material Expenses	70,756	66,871	60,890	99,305	64,949	56,704	72,343	89,555
Employee Expenses	3,008	3,315	3,641	4,394	4,352	4,220	4,113	4,632
Other Operating Expenses	2,111	1,883	2,093	2,869	2,586	2,115	2,772	3,419
<b>EBIDTA</b>	7,376	6,852	7,739	14,230	10,302	7,753	10,194	12,683
<i>EBIDTA (%)</i>	8.9	8.7	10.4	11.8	12.5	10.95	11.4	11.5
<i>EBIDTA Growth (%)</i>	13.6	(7.1)	12.9	83.9	(27.6)	(24.7)	31.5	24.4
Depreciation	1,100	1,121	1,175	1,494	1,775	1,875	1,985	2,095
<b>EBIT</b>	6,277	5,731	6,564	12,736	8,526	5,877	8,209	10,588
Other income (including EO)	2,240	897	903	593	1,186	949	972	1,020
Interest	5,089	3,957	3,789	4,512	5,179	4,910	4,706	5,263
<b>PBT</b>	3,428	2,672	3,677	8,817	4,534	1,916	4,475	6,346
Tax	823	417	809	3,177	713	482	1,126	1,650
<b>RPAT</b>	2,605	2,255	2,868	5,640	3,820	1,434	3,349	4,696
EO Items	203	503	256	589	327	-	-	-
<b>APAT</b>	2,402	2,758	3,123	6,229	4,147	1,434	3,349	4,696
<i>APAT Growth (%)</i>	114.8	14.9	13.2	99.4	(33.4)	(65.4)	133.5	40.2
<b>EPS</b>	4.3	5.0	5.1	10.2	6.8	2.4	5.5	7.7
<i>EPS Growth (%)</i>	114.8	14.9	3.2	99.4	(33.4)	(65.4)	133.5	40.2

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	50,987	54,052	58,465
<b>Total Shareholders Funds</b>	32,608	34,423	42,416	47,568	51,056	52,207	55,272	59,685
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>	18,836	15,767	13,001	19,933	19,101	20,601	21,101	20,801
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>	51,127	49,677	55,019	67,071	68,943	71,593	75,158	79,271
<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	4,601	5,365	3,750
<b>Total Non-current Assets</b>	17,988	19,238	26,976	30,869	31,270	28,748	30,572	30,017
Inventories	16,568	15,258	16,956	5,129	5,148	4,350	4,955	4,907
Debtors	19,648	23,501	34,620	30,496	24,083	24,243	26,949	27,195
Cash & Equivalents	2,158	1,095	659	2,990	3,169	5,492	4,964	3,863
Other Current Assets	35,365	28,994	27,002	60,376	61,980	63,615	65,903	80,164
<b>Total Current Assets</b>	73,739	68,848	79,237	98,990	94,379	97,701	1,02,771	1,16,129
Creditors	27,711	28,688	33,882	43,844	39,364	38,984	40,669	45,324
Other Current Liabilities	13,199	9,721	17,313	18,944	17,342	15,872	17,516	21,550
<b>Total Current Liabilities</b>	40,909	38,409	51,195	62,787	56,706	54,856	58,185	66,874
<b>Net Current Assets</b>	32,830	30,440	28,043	36,203	37,673	42,845	44,587	49,255
Misc Exp	309	-	-	-	-	(0)	(0)	(1)
<b>TOTAL APPLICATION OF FUNDS</b>	51,127	49,677	55,019	67,072	68,943	71,593	75,158	79,271

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	1,916	4,475	6,346
Non-operating & EO items	(1,399)	(599)	401	347	(286)	(949)	(972)	(1,020)
Interest expenses	5,089	3,957	3,789	4,512	5,179	4,910	4,706	5,263
Depreciation	1,100	1,121	1,175	1,494	1,775	1,875	1,985	2,095
Working Capital Change	(2,201)	(4,746)	(3,310)	(9,366)	(3,471)	(1,456)	(3,034)	(4,154)
Taxes Paid	(926)	(436)	(1,263)	(2,351)	(1,366)	(482)	(1,126)	(1,650)
<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>5,814</b>	<b>6,034</b>	<b>6,880</b>
Capex	(910)	(1,286)	(3,076)	(4,907)	(879)	(2,875)	(2,985)	(3,095)
<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>2,939</b>	<b>3,049</b>	<b>3,785</b>
Investments and Income on investments and deposits	4,562	5,838	(456)	655	(763)	3,078	912	960
<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>203</b>	<b>(2,073)</b>	<b>(2,135)</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)	(4,910)	(4,706)	(5,263)
<b>FCFE</b>	<b>(2,886)</b>	<b>(6,469)</b>	<b>(5,124)</b>	<b>1,163</b>	<b>(81)</b>	<b>(471)</b>	<b>(1,157)</b>	<b>(1,778)</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>(3,693)</b>	<b>(4,489)</b>	<b>(5,846)</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>2,324</b>	<b>(528)</b>	<b>(1,101)</b>
Closing Cash & Equivalents	2,158	1,095	659	2,990	3,169	5,492	4,964	3,863

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	19.9	19.1	18.8
EBITDA Margin	8.9	8.7	10.4	11.8	12.5	11.0	11.4	11.5
EBIT Margin	7.5	7.3	8.8	10.5	10.4	8.3	9.2	9.6
APAT Margin	2.9	3.5	4.2	5.2	5.0	2.0	3.7	4.3
RoE	7.4	8.2	8.1	13.8	8.4	2.8	6.2	8.2
Core RoCE	12.1	12.6	13.0	15.8	13.5	7.2	9.5	10.9
RoCE	12.7	11.3	10.6	12.7	11.9	7.1	9.1	10.8
<b>EFFICIENCY</b>								
Tax Rate (%)	24.0	15.6	22.0	36.0	15.7	25.2	25.2	26.0
Asset Turnover (x)	6.6	5.8	4.6	5.7	3.8	2.8	3.3	3.9
Inventory (days)	73	71	83	15	23	22	20	16
Debtors (days)	86	109	170	92	107	125	110	90
Other Current assets (days)	155	134	133	182	275	328	269	265
Payables (days)	121	133	166	132	175	201	166	150
Other Current liab & provns (days)	58	45	85	57	77	82	71	71
<b>Cash Conversion Cycle (days)</b>	<b>134</b>	<b>136</b>	<b>134</b>	<b>100</b>	<b>153</b>	<b>193</b>	<b>162</b>	<b>150</b>
Debt/EBITDA (x)	2.6	2.3	1.7	1.4	1.9	2.7	2.1	1.6
Net D/E	0.5	0.4	0.3	0.4	0.3	0.3	0.3	0.3
Interest Coverage	1.2	1.4	1.7	2.8	1.6	1.2	1.7	2.0
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	4.3	5.0	5.1	10.2	6.8	2.4	5.5	7.7
CEPS (Rs/sh)	6.7	6.1	6.6	11.7	9.2	5.4	8.7	11.1
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	85.6	90.6	97.9
<b>VALUATION</b>								
P/E	7.2	6.2	6.1	3.0	4.6	13.2	5.6	4.0
P/BV	0.5	0.5	0.4	0.4	0.4	0.4	0.3	0.3
EV/EBITDA	4.6	4.7	4.0	2.5	3.4	4.4	3.4	2.8
EV/Revenues	0.4	0.4	0.4	0.3	0.4	0.5	0.4	0.3
OCF/EV (%)	14.4	6.2	14.3	9.6	18.3	17.1	17.2	19.2
FCF/EV (%)	11.7	2.1	4.5	(4.1)	15.7	8.6	8.7	10.6
FCFE/Market Cap (%)	23.1	4.0	7.4	(7.7)	29.0	15.5	16.1	20.0
Dividend Yield (%)	1.3	1.9	1.9	1.9	1.9	1.9	1.9	1.9

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	46,965	53,774	61,195
<i>Growth (%)</i>	29.0	(16.1)	6.4	71.0	58.8	(3.7)	14.5	13.8
Material Expenses	15,387	12,408	12,242	21,140	33,710	33,533	37,266	42,408
Employee Expenses	836	1,003	1,240	1,924	2,651	2,518	3,061	3,521
Other Operating Expenses	1,260	1,270	1,896	3,332	4,775	4,438	5,861	6,670
<b>EBITDA</b>	2,660	2,210	2,588	4,320	7,643	6,476	7,586	8,596
<i>EBITDA Margin (%)</i>	13.2	13.1	14.4	14.1	15.7	13.8	14.1	14.0
<i>EBITDA Growth (%)</i>	22.8	(16.9)	17.1	66.9	76.9	(15.3)	17.1	13.3
Depreciation	570	533	772	922	1,264	1,253	1,413	1,623
<b>EBIT</b>	2,089	1,677	1,816	3,397	6,379	5,222	6,173	6,973
Other Income (Including EO Items)	253	466	830	683	885	506	484	465
Interest	399	203	307	641	1,144	877	950	903
<b>PBT</b>	1,943	1,939	2,339	3,440	6,120	4,851	5,707	6,535
Tax (Incl Deferred)	(402)	(158)	(171)	191	1,517	1,601	1,436	1,645
<b>RPAT</b>	2,345	2,097	2,510	3,248	4,603	3,250	4,270	4,890
EO Items (incl. MAT savings)	(810)	(927)	(1,321)	(911)	(1,360)	-	-	-
<b>APAT</b>	1,535	1,169	1,190	2,338	3,243	3,250	4,270	4,890
<i>APAT Growth (%)</i>	60.9	(23.9)	1.8	96.5	38.7	0.2	31.4	14.5
<b>Adjusted EPS (Rs)</b>	6.0	4.6	4.6	9.1	12.6	12.7	16.6	19.06
<i>EPS Growth (%)</i>	60.9	(23.9)	1.8	96.5	38.7	0.2	31.4	14.5

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	27,978	31,765	36,172
<b>Total Shareholders Funds</b>	13,784	15,722	18,067	21,152	25,466	28,491	32,278	36,685
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>	119	1,691	1,697	3,747	3,266	3,750	3,850	4,000
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>	15,469	19,066	21,442	27,017	34,050	40,790	45,647	49,671
<b>APPLICATION OF FUNDS</b>								
Net Block	2,125	3,479	4,064	6,155	5,880	6,127	6,214	6,591
CWIP	19	78	111	62	-	-	-	-
Investments	4,644	4,676	4,948	5,730	7,355	11,455	15,255	17,555
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>	9,185	12,530	13,790	15,721	16,226	19,914	23,288	25,965
Inventories	2,364	1,535	1,757	4,035	2,673	3,860	4,420	5,030
Debtors	3,763	6,309	6,900	6,154	8,035	8,492	9,724	11,065
Other Current Assets	2,589	3,187	3,923	6,477	8,554	9,007	9,576	10,898
Cash & Equivalents	971	355	1,473	3,094	7,401	8,702	7,762	6,672
<b>Total Current Assets</b>	9,686	11,385	14,052	19,761	26,662	30,062	31,482	33,665
Creditors	942	2,369	4,628	4,737	4,675	4,503	4,420	5,030
Other Current Liabilities & Provns	2,460	2,479	1,773	3,727	4,163	4,682	5,361	6,101
<b>Total Current Liabilities</b>	3,402	4,848	6,401	8,465	8,838	9,186	9,781	11,131
Miscellaneous							658	1,171
<b>Net Current Assets</b>	6,284	6,536	7,652	11,296	17,824	20,876	21,701	22,534
<b>TOTAL APPLICATION OF FUNDS</b>	15,469	19,066	21,442	27,017	34,050	40,790	45,647	49,671

Source: Company, HSIE Research



## Infrastructure: 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	4,851	5,707	6,535
Non-operating & EO items	(100)	26	16	(43)	87	(506)	(484)	(465)
Interest expenses	249	(150)	158	391	444	371	466	438
Depreciation	525	533	772	922	1,264	1,253	1,413	1,623
Working Capital Change	(1,467)	(2,599)	(245)	(841)	1,823	2,139	(282)	(2,456)
Tax Paid	-	164	175	(171)	(1,612)	(1,601)	(1,436)	(1,645)
<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>6,508</b>	<b>5,384</b>	<b>4,030</b>
Capex	(394)	(1,895)	(1,318)	(2,796)	(909)	(1,500)	(1,500)	(2,000)
Free cash flow (FCF)	817	(1,981)	1,897	902	7,217	5,008	3,884	2,030
Investments	(325)	(32)	(373)	(946)	(1,607)	(4,100)	(3,800)	(2,300)
Other income and Other bank deposits	-	311	245	398	211	506	484	465
<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>(5,094)</b>	<b>(4,816)</b>	<b>(3,835)</b>
Debt Issuance/(Repaid)/	(3,411)	1,400	(189)	2,050	(482)	484	100	150
Interest Expenses	(332)	(153)	(301)	(626)	(725)	(371)	(466)	(438)
FCFE	(2,927)	(733)	1,407	2,326	6,011	5,121	3,517	1,742
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>(112)</b>	<b>(850)</b>	<b>(771)</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>1,302</b>	<b>(282)</b>	<b>(576)</b>
Miscellaneous				1				
Closing Cash & Equivalents	971	355	1,473	3,094	7,401	8,702	7,762	6,672

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	28.6	30.7	30.7
EBITDA Margin	13.2	13.1	14.4	14.1	15.7	13.8	14.1	14.0
APAT Margin	7.6	6.9	6.6	7.6	9.4	6.9	7.9	8.0
RoE	14.6	7.9	7.0	11.9	13.9	12.0	14.1	14.2
RoIC (or Core RoCE)	25.6	12.9	13.0	17.6	24.9	17.0	20.4	20.5
RoCE	21.1	13.4	14.0	15.9	17.9	10.3	11.5	11.7
<b>EFFICIENCY</b>								
Tax Rate (%)	(20.7)	(8.1)	(7.3)	5.6	24.8	33.0	25.2	25.2
Fixed Asset Turnover (x)	4.7	3.8	3.1	3.5	5.1	4.3	4.3	4.2
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 & Provns (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>95</b>	<b>95</b>	<b>95</b>
Debt/EBITDA (x)	0.0	0.8	0.7	0.9	0.4	0.6	0.5	0.5
Net D/E (x)	(0.06)	0.1	0.01	0.03	(0.2)	(0.2)	(0.1)	(0.1)
Interest Coverage (x)	5.2	8.3	5.9	5.3	5.6	6.0	6.5	7.7
<b>PER SHARE DATA (Rs)</b>								
EPS	6.0	4.6	4.6	9.1	12.6	12.7	16.6	19.1
CEPS	11.4	10.3	12.8	16.3	22.9	17.6	22.2	25.4
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	111.1	125.8	143.0
<b>VALUATION</b>								
P/E (x)	26.2	34.4	33.9	17.2	12.4	12.4	9.4	8.2
P/BV (x)	2.9	2.6	2.2	1.9	1.6	1.4	1.2	1.1
EV/EBITDA (x)	14.8	18.8	15.6	9.5	4.7	5.5	4.8	4.4
EV/Revenues (x)	2.0	2.5	2.3	1.3	0.7	0.8	0.7	0.6
OCF/EV (%)	3.1	(0.2)	7.9	9.0	22.5	18.4	14.8	10.7
FCF/EV (%)	2.1	(4.8)	4.7	2.2	20.0	14.2	10.7	5.4
FCFE/Mkt Cap (%)	(7.3)	(1.8)	3.5	5.8	14.9	12.7	8.7	4.3
Dividend Yield (%)	1.6	0.3	1.0	0.3	0.4	0.4	1.0	1.0

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	10,489	14,801	17,887
<i>Growth (%)</i>	63.3	-12.5	81.7	43.3	43.6	-30.0	41.1	20.9
Material Expenses	3,909	3,047	5,912	8,420	12,355	8,763	12,038	14,476
Employee Expenses	140	208	286	432	594	503	666	805
Other Operating Expenses	137	95	86	99	134	126	148	179
<b>EBIDTA</b>	393	658	999	1,489	1,910	1,096	1,948	2,427
<i>EBIDTA (%)</i>	8.6	16.4	13.7	14.3	12.7	10.4	13.2	13.6
<i>EBIDTA Growth (%)</i>	75.4	67.3	52.0	49.1	28.2	(42.6)	77.8	24.6
Depreciation	71	76	112	242	267	290	326	390
<b>EBIT</b>	322	582	888	1,247	1,643	806	1,622	2,037
Other Income (Incl. EO Items)	103	134	184	230	248	202	283	248
Interest	31	75	87	92	146	122	138	122
<b>PBT</b>	394	640	984	1,385	1,744	886	1,767	2,163
Tax	142	226	355	483	452	229	445	544
<b>RPAT</b>	252	414	629	902	1,293	657	1,322	1,619
EO items (net of tax)	-	2	6	-	-	-	-	-
<b>APAT</b>	252	416	635	902	1,293	657	1,322	1,619
<i>APAT Growth (%)</i>	79.6	64.9	52.4	42.2	43.2	(49.2)	101.4	22.4
<b>EPS</b>	78.9	14.5	17.6	25.1	35.9	18.2	36.7	45.0
<i>EPS Growth (%)</i>	(55.1)	(81.7)	22.0	42.2	43.2	(49.2)	101.4	22.4

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	32	288	360	360	360	360	360	360
Reserves	624	783	2,667	3,354	4,211	4,749	5,834	7,161
<b>Total Shareholders Funds</b>	656	1,071	3,027	3,714	4,571	5,109	6,194	7,521
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	5,970	7,154	7,682
<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	717	1,215	1,468
<b>Total Non-current Assets</b>	863	1,113	1,433	1,637	2,008	1,806	2,478	2,841
Inventories	40	30	335	750	968	862	1,054	1,274
Unbilled Revenue	-	-	-	230	1,250	1,250	1,250	1,250
Retention	-	192	394	475	670	477	673	814
Debtors	103	533	1,162	1,426	2,240	2,012	2,433	2,940
Cash & Equivalents	359	479	766	352	468	1,025	989	351
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	599	636	703
<b>Total Current Assets</b>	1,407	2,018	4,403	5,620	7,526	7,874	8,785	9,181
Creditors	694	693	1,213	1,585	2,049	1,323	1,913	2,336
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	3,411	3,809	4,042
<b>Net Current Assets</b>	235	619	1,792	2,469	3,545	4,463	4,975	5,139
Misc Expenses & Others	-	-	-	-	(116)	(299)	(299)	(299)
<b>TOTAL APPLICATION OF FUNDS</b>	1,097	1,733	3,225	4,106	5,440	5,970	7,154	7,682

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	886	1,767	2,163
Non-operating & EO items	(72)	(69)	(178)	(198)	(217)	(202)	(283)	(248)
Interest expenses	1	7	46	45	68	122	138	122
Depreciation	71	76	112	242	267	290	326	390
Working Capital Change	136	(497)	145	(720)	(1,116)	(529)	(330)	(618)
Tax paid	(118)	(145)	(409)	(477)	(556)	(229)	(445)	(544)
<b>OPERATING CASH FLOW ( a )</b>	<b>411</b>	<b>11</b>	<b>716</b>	<b>277</b>	<b>190</b>	<b>338</b>	<b>1,173</b>	<b>1,265</b>
Capex	(258)	(71)	(475)	(394)	(331)	(300)	(500)	(500)
Free cash flow (FCF)	153	(60)	241	(117)	(140)	38	673	765
Investments + Investment Income	42	(9)	178	55	218	733	(333)	(90)
<b>INVESTING CASH FLOW ( b )</b>	<b>(216)</b>	<b>(80)</b>	<b>(296)</b>	<b>(339)</b>	<b>(112)</b>	<b>433</b>	<b>(833)</b>	<b>(590)</b>
Share capital Issuance	-	-	1,421	-	-	-	-	-
Debt Issuance	114	215	(461)	46	486	(8)	100	(800)
Interest expenses	(17)	(55)	(46)	(45)	(68)	(122)	(138)	(122)
Dividend + Other Misc	(72)	-	(108)	(217)	(434)	(118)	(238)	(291)
<b>FINANCING CASH FLOW ( c )</b>	<b>25</b>	<b>160</b>	<b>805</b>	<b>(215)</b>	<b>(16)</b>	<b>(249)</b>	<b>(276)</b>	<b>(1,213)</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>522</b>	<b>64</b>	<b>(539)</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	2,674	2,738	2,200

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	16.4	18.7	19.1
EBITDA Margin	8.6	16.4	13.7	14.3	12.7	10.4	13.2	13.6
EBIT Margin	7.0	14.5	12.2	11.9	11.0	7.7	11.0	11.4
APAT Margin	5.5	10.4	8.7	8.6	8.6	6.3	8.9	9.0
RoE	44.8	48.2	31.0	26.8	31.2	13.6	23.4	23.6
Core RoCE	53.2	58.0	30.6	25.8	30.1	14.1	24.5	26.0
RoCE	24.8	26.8	21.4	23.4	25.8	12.5	19.9	22.3
<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	4.6	5.3	5.4
Inventory (days)	3	3	17	26	24	30	26	26
Unbilled Revenue (days)	-	-	-	8	30	43	31	26
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	40	43	44
Cash Conversion Cycle (days)	(44)	(12)	14	27	33	60	43	42
Cash Margin/FDR	56	62	81	65	37	57	43	38
Advances from customers	0	42	60	50	44	68	43	32
Other Current Assets (days)	16	9	6	18	10	21	16	14
Other Current Liab (days)	38	22	11	12	8	11	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>119</b>	<b>98</b>	<b>97</b>
Debt/EBITDA (x)	1.2	1.0	0.2	0.3	0.5	0.8	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	6.6	11.8	16.7
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	78.9	14.5	17.6	25.1	35.9	18.2	36.7	45.0
CEPS (Rs/sh)	100.9	17.1	20.7	31.8	43.3	26.3	45.8	55.8
DPS (Rs/sh)	22.5	0.0	3.0	6.0	12.1	3.3	6.6	8.1
BV (Rs/sh)	205	37	84	103	127	142	172	209
<b>VALUATION</b>								
P/E	5.3	29.1	23.8	16.8	11.7	23.7	11.8	9.6
P/BV	2.0	11.3	5.0	4.1	3.3	3.0	2.5	2.1
EV/EBITDA	3.7	18.7	14.6	10.2	8.2	14.1	8.0	6.4
OCF/EV (%)	28.6	0.0	0.0	0.0	0.0	0.0	0.1	0.1
FCF/EV (%)	10.6	(0.5)	1.7	(0.8)	(0.9)	0.2	4.3	5.0
FCFE/Market Cap (%)	18.6	0.8	(1.8)	(0.8)	1.8	(0.6)	4.1	(1.0)
Dividend Yield (%)	5.4	0.0	0.7	1.4	2.9	0.8	1.5	1.9

Source: Company, HSIE Research

## Sadbhav Engineering (Rs mn)

## Standalone Income Statement

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Net Revenues	31,863	33,203	35,051	35,493	22,517	24,023	29,860	36,822
Growth (%)	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	1,657
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>4,603</b>
EBIDTA (%)	10.5	10.7	11.8	12.1	12.4	11.3	12.5	12.5
EBIDTA Growth (%)	11.5	6.2	16.7	3.1	(34.7)	(2.6)	37.1	23.3
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>3,661</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>2,685</b>
Tax	325	18	(44)	714	246	244	435	698
<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>1,987</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>1,987</b>
APAT Growth (%)	36.9	34.8	17.5	(15.5)	(63.4)	2.1	77.7	60.7
EPS	8.1	11.0	12.9	10.9	4.0	4.1	7.2	11.6
EPS Growth (%)	36.8	34.8	17.5	(15.5)	(63.4)	2.1	77.7	60.7

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	24,065
<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>24,237</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>35,459</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	1,903
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>35,336</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>23,208</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>35,459</b>

Source: Company, HSIE Research

## Infrastructure: 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	2,685
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)	(698)
<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>1,512</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	762
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	(698)
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>(454)</b>
Non-operating and EO items	-	-	(99)	315	709	-	-	-
Closing Cash & Equivalents	166	230	126	602	1,231	1,578	2,357	1,903

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	12.5
EBIT Margin	7.5	7.7	9.1	9.4	7.6	7.2	9.3	9.9
APAT Margin	4.1	5.7	6.3	5.3	3.8	2.9	4.1	5.4
RoE	9.4	11.3	11.8	9.2	3.2	3.2	5.5	8.2
Core RoCE	9.0	9.0	12.1	8.4	5.2	5.0	8.0	9.7
RoCE	9.6	10.0	12.8	8.9	6.8	6.7	8.4	10.3
<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	2.6
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	2.5
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	8.1	11.0	12.9	10.9	4.0	4.1	7.2	11.6
CEPS (Rs/sh)	16.6	19.1	21.1	18.7	11.7	11.2	14.5	19.4
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	141.3
<b>VALUATION</b>								
P/E	6.6	4.9	4.2	5.0	13.6	13.3	7.5	4.7
P/BV	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.4
EV/EBITDA	6.4	7.5	5.8	5.7	7.3	7.3	5.1	4.2
OCF/EV (%)	7.9	(1.5)	27.2	8.2	7.0	10.5	15.1	7.7
FCF/EV (%)	3.3	(2.7)	24.0	4.2	7.2	6.9	11.2	3.9
FCFE/Market Cap (%)	2.7	(10.0)	10.0	3.4	(44.1)	(1.4)	6.6	(7.5)
Dividend Yield (%)	1.7	2.0	2.2	2.2	2.2	2.2	2.2	2.2

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>76,027</b>	<b>81,251</b>	<b>90,005</b>
<i>Growth (%)</i>		17.3	23.9	11.1	-3.8	6.9	10.8
Material Expenses	34,305	41,215	52,497	59,030	55,586	58,842	65,148
Employee Expenses	2,918	3,487	4,541	5,260	5,310	5,769	6,390
Other Operating Expenses	6,427	6,397	6,331	6,150	7,740	8,125	9,000
<b>EBIDTA</b>	<b>5,291</b>	<b>6,312</b>	<b>7,782</b>	<b>8,600</b>	<b>7,391</b>	<b>8,515</b>	<b>9,466</b>
<i>EBIDTA (%)</i>	<b>10.8</b>	<b>11.0</b>	<b>10.9</b>	<b>10.9</b>	<b>9.7</b>	<b>10.5</b>	<b>10.5</b>
<i>EBIDTA Growth (%)</i>		19	23	11	-14	15	11
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>6,204</b>	<b>7,253</b>	<b>8,131</b>
Other Income	493	480	512	580	480	468	526
Interest	982	1,033	1,190	1,660	1,458	1,397	1,232
<b>PBT</b>	<b>4,026</b>	<b>4,993</b>	<b>6,244</b>	<b>6,420</b>	<b>5,225</b>	<b>6,323</b>	<b>7,425</b>
Tax	1,335	1,773	2,231	2,030	1,473	1,783	2,094
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>3,752</b>	<b>4,540</b>	<b>5,331</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>3,752</b>	<b>4,540</b>	<b>5,331</b>
<i>APAT Growth (%)</i>	<b>34.9</b>	<b>19.7</b>	<b>24.6</b>	<b>9.4</b>	<b>-14.5</b>	<b>21.0</b>	<b>17.4</b>
<b>EPS</b>	<b>17.5</b>	<b>21.0</b>	<b>26.2</b>	<b>28.6</b>	<b>24.4</b>	<b>29.6</b>	<b>34.7</b>
<i>EPS Growth (%)</i>	<b>34.9</b>	<b>19.7</b>	<b>24.6</b>	<b>9.4</b>	<b>-14.5</b>	<b>21.0</b>	<b>17.4</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	38,387	42,498	45,949
<b>Total Shareholders Funds</b>	<b>24,787</b>	<b>27,700</b>	<b>31,522</b>	<b>35,360</b>	<b>38,697</b>	<b>42,808</b>	<b>46,259</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>51,504</b>	<b>54,615</b>	<b>57,066</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	7,614	7,886	8,729
Debtors	28,480	33,805	33,716	36,170	37,493	40,069	44,386
Cash & bank balances	2,110	816	1,455	3,370	2,679	4,500	4,634
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>80,410</b>	<b>87,870</b>	<b>96,225</b>
Creditors	19,327	23,377	26,863	25,550	26,084	27,690	30,800
Other Current Liabilities & Provns	10,816	12,227	15,096	19,762	16,678	19,689	22,446
<b>Total Current Liabilities</b>	<b>30,143</b>	<b>35,604</b>	<b>41,960</b>	<b>45,312</b>	<b>42,762</b>	<b>47,379</b>	<b>53,246</b>
<b>Net Current Assets</b>	<b>18,104</b>	<b>23,586</b>	<b>28,133</b>	<b>35,858</b>	<b>37,648</b>	<b>40,491</b>	<b>42,979</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>51,504</b>	<b>54,615</b>	<b>57,066</b>

Source: Company, HSIE Research

## Infrastructure: Sector Thematic

### Standalone Cash Flow

Year ending March	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
PBT	4,026	4,993	6,244	6,660	5,225	6,323	5,944
Non-operating & EO items	(300)	(508)	(402)	(1,560)	(1,014)	(659)	(428)
Interest expenses	982	1,033	1,190	1,660	1,458	1,397	1,232
Depreciation	777	766	860	1,100	1,188	1,261	1,335
Working Capital Change	(714)	(3,836)	(289)	(3,329)	(2,481)	(1,023)	(2,354)
Tax paid	(1,553)	(1,413)	(2,349)	(2,100)	(1,473)	(1,783)	(2,094)
<b>OPERATING CASH FLOW ( a )</b>	<b>3,217</b>	<b>1,035</b>	<b>5,253</b>	<b>2,431</b>	<b>2,903</b>	<b>5,517</b>	<b>3,636</b>
Capex	(576)	(1,063)	(1,184)	(1,236)	(620)	(620)	(620)
Free cash flow (FCF)	2,641	(29)	4,070	1,195	2,283	4,897	3,016
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)	(1,458)	(1,397)	(1,232)
<b>FINANCING CASH FLOW ( c )</b>	<b>(31)</b>	<b>(488)</b>	<b>(2,915)</b>	<b>3,790</b>	<b>(4,673)</b>	<b>(2,827)</b>	<b>(2,631)</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>-691</b>	<b>1,820</b>	<b>134</b>
Opening Cash & Equivalents	1,007	2,110	816	1,455	3,370	2,679	4,499
Closing Cash & Equivalents	2,110	816	1,455	3,370	2,679	4,500	4,634

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	26.9	27.6	27.6
EBITDA Margin	10.8	11.0	10.9	10.9	9.7	10.5	10.5
EBIT Margin	9.2	9.7	9.7	9.5	8.2	8.9	9.0
APAT Margin	5.5	5.6	5.6	5.6	4.9	5.6	5.9
RoE	11.5	12.3	13.6	13.1	10.1	11.1	12.0
Core RoCE	14.0	14.5	14.7	14.4	11.0	12.3	13.3
RoCE	11.5	11.8	13.0	12.8	9.8	11.0	11.7
<b>EFFICIENCY</b>							
Tax Rate (%)	33.2	35.5	35.7	31.6	28.2	28.2	28.2
Asset Turnover (x)	8	9	10	9	8	8	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	157	159	156
Payables (days)	144	149	138	118	125	124	125
Other Current Liab (days)	81	78	77	91	80	88	91
Net Working Capital Cycle (Days)	119	145	137	150	168	162	156
Debt/EBITDA (x)	1.0	1.2	0.8	1.5	1.4	1.1	0.9
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	4.3	5.2	6.6
<b>PER SHARE DATA</b>							
EPS (Rs/sh)	17.5	21.0	26.2	28.6	24.4	29.6	34.7
CEPS (Rs/sh)	22.6	26.0	31.8	35.8	32.2	37.8	43.4
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	252.2	279.0	301.4
<b>VALUATION</b>							
P/E	16.1	13.4	10.8	9.9	11.5	9.5	8.1
P/BV	1.7	1.6	1.4	1.2	1.1	1.0	0.9
EV/EBITDA	8.8	8.0	6.2	6.2	6.9	5.6	5.0
OCF/EV (%)	6.9	2.1	10.9	4.6	5.7	11.5	7.7
FCF/EV (%)	5.7	-0.1	8.4	2.3	4.5	10.2	6.4
FCFE/Market Cap (%)	8.3	1.7	6.5	18.3	-1.2	9.0	4.7
Dividend Yield (%)	0.7	0.9	1.2	1.2	1.2	1.2	1.2

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>	<b>85,178</b>	<b>85,844</b>	<b>1,00,580</b>	<b>1,10,005</b>	<b>1,19,654</b>	<b>1,24,092</b>	<b>1,37,047</b>	<b>1,51,403</b>
<i>Growth (%)</i>		<b>0.8</b>	<b>17.2</b>	<b>9.4</b>	<b>8.8</b>	<b>3.7</b>	<b>10.4</b>	<b>10.5</b>
Material Expenses	61,798	59,489	72,716	81,230	84,182	87,023	96,676	1,06,763
Employee Expenses	6,392	7,327	7,984	8,322	11,044	11,700	12,929	13,379
Other Operating Expenses	10,064	10,849	9,819	8,954	12,084	12,952	13,450	15,781
<b>EBIDTA</b>	<b>6,923</b>	<b>8,179</b>	<b>10,062</b>	<b>11,499</b>	<b>12,344</b>	<b>12,417</b>	<b>13,992</b>	<b>15,479</b>
<i>EBIDTA (%)</i>	<b>8</b>	<b>9.5</b>	<b>10.0</b>	<b>10.5</b>	<b>10.3</b>	<b>10.0</b>	<b>10.2</b>	<b>10.2</b>
<i>EBIDTA Growth (%)</i>		<b>18.1</b>	<b>23.0</b>	<b>14.3</b>	<b>7.3</b>	<b>0.6</b>	<b>12.7</b>	<b>10.6</b>
Depreciation	1,318	1,297	1,097	1,171	1,472	1,467	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>10,951</b>	<b>12,359</b>	<b>13,839</b>
Other Income (Incl. EO Items)	103	289	404	226	111	88	89	89
Interest	2,794	2,536	2,466	3,119	3,080	3,274	3,303	3,334
<b>PBT</b>	<b>2,914</b>	<b>4,634</b>	<b>6,902</b>	<b>7,435</b>	<b>7,903</b>	<b>7,765</b>	<b>9,145</b>	<b>10,594</b>
Tax	1,436	1,587	2,298	2,571	2,248	2,152	2,506	2,928
<b>RPAT</b>	<b>1,479</b>	<b>3,048</b>	<b>4,604</b>	<b>4,864</b>	<b>5,655</b>	<b>5,613</b>	<b>6,639</b>	<b>7,666</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>5,613</b>	<b>6,639</b>	<b>7,666</b>
<i>APAT Growth (%)</i>	-	<b>106.1</b>	<b>51.1</b>	<b>5.7</b>	<b>16.3</b>	<b>(0.8)</b>	<b>18.3</b>	<b>15.5</b>
<b>EPS</b>	<b>5.8</b>	<b>11.9</b>	<b>17.9</b>	<b>18.9</b>	<b>22.0</b>	<b>21.8</b>	<b>25.8</b>	<b>29.8</b>
<i>EPS Growth (%)</i>	-	<b>106.1</b>	<b>51.1</b>	<b>5.7</b>	<b>16.3</b>	<b>(0.8)</b>	<b>18.3</b>	<b>15.5</b>

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	33,482	39,288	46,122
<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>33,996</b>	<b>39,802</b>	<b>46,636</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>67,455</b>	<b>72,161</b>	<b>78,995</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	8,178	8,704	8,617
Debtors	47,066	42,268	50,444	48,753	54,448	57,796	63,079	68,442
Cash & bank balances	853	2,080	2,313	2,762	1,637	3,907	5,306	5,799
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>1,18,150</b>	<b>1,26,355</b>	<b>1,40,387</b>
Creditors	35,346	39,101	44,713	60,068	64,747	65,331	68,763	76,087
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>65,834</b>	<b>69,267</b>	<b>76,590</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>52,316</b>	<b>57,089</b>	<b>63,797</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>67,455</b>	<b>72,161</b>	<b>78,995</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	7,765	9,145	10,594
Non-operating & EO items	1,905	2,159	764	(1,015)	637	-	-	-
Interest expenses	2,794	2,536	2,466	3,119	3,080	3,274	3,303	3,334
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)	440	(3,375)	(6,215)
Tax paid	(1,332)	(1,044)	(2,296)	(2,977)	(3,493)	(2,152)	(2,506)	(2,928)
<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>10,792</b>	<b>8,200</b>	<b>6,425</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)	9,376	6,634	4,659
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)	(3,303)	(3,334)
<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>(5,235)</b>	<b>(4,166)</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>2,270</b>	<b>1,399</b>	<b>493</b>
Opening Cash & Equivalents	NA	853	2,080	2,313	2,762	1,637	3,907	5,306
Closing Cash & Equivalents	853	2,080	2,313	2,762	1,637	3,907	5,306	5,799

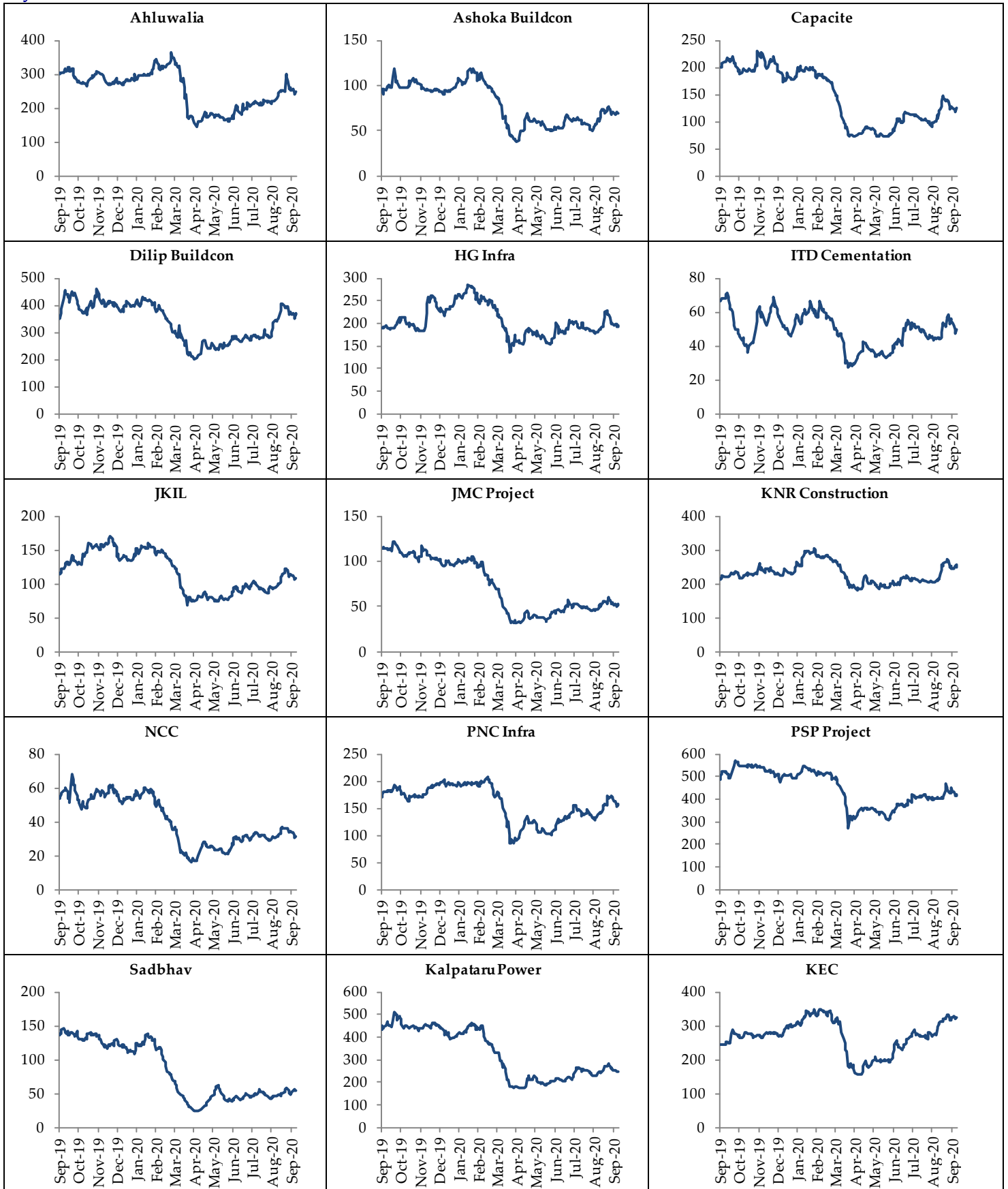
Source: Company, HSIE Research

**Key Ratios**

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY</b>								
GPM	27.4	30.7	27.7	26.2	29.6	29.9	29.5	29.5
EBITDA Margin	8.1	9.5	10.0	10.5	10.3	10.0	10.2	10.2
EBIT Margin	6.6	8.0	8.9	9.4	9.1	8.8	9.0	9.1
APAT Margin	1.7	3.6	4.6	4.4	4.7	4.5	4.8	5.1
RoE	22.9	21.2	25.7	21.9	21.6	18.1	18.0	17.7
Core RoCE	11.3	9.8	12.6	13.2	14.5	13.4	14.5	15.0
RoCE	11.3	9.8	12.0	12.2	13.6	12.5	13.2	13.6
<b>EFFICIENCY</b>								
Tax Rate (%)	49.3	34.2	33.3	34.6	28.4	27.7	27.4	27.6
Asset Turnover (x)	5.5	5.5	6.3	6.3	6.3	6.1	6.2	6.4
Inventory (days)	15	17	23	21	24	24	23	21
Debtors (days)	202	180	183	162	166	170	168	165
Other Current Assets (days)	101	105	107	145	142	142	131	139
Payables (days)	151	166	162	199	198	192	183	183
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>142</b>	<b>138</b>	<b>140</b>
Debt/EBITDA (x)	5.5	3.6	3.8	2.6	2.7	2.6	2.2	2.0
Net D/E	2.9	1.7	1.8	1.1	1.1	0.8	0.6	0.5
Interest Coverage	2.0	2.7	3.6	3.3	3.5	3.3	3.7	4.2
<b>PER SHARE DATA</b>								
EPS (Rs/sh)	5.8	11.9	17.9	18.9	22.0	21.8	25.8	29.8
CEPS (Rs/sh)	10.9	16.9	22.2	23.5	27.7	27.5	32.2	36.2
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	132.2	154.8	181.4
<b>VALUATION</b>								
P/E	56.9	27.6	18.3	17.3	14.9	15.0	12.7	11.0
P/BV	6.5	5.3	4.2	3.5	3.0	2.5	2.1	1.8
EV/EBITDA	17.5	13.7	11.9	9.7	9.4	9.0	7.8	7.1
OCF/EV (%)	-0.6	14.9	5.5	1.8	0.8	9.6	7.5	5.9
FCF/EV (%)	-0.8	14.3	4.4	0.8	-1.0	8.3	6.0	4.3
FCFE/Market Cap (%)	2.5	5.6	1.8	3.8	3.7	7.6	6.6	5.5
Dividend Yield (%)	0.3	0.5	0.7	0.8	0.8	0.8	0.8	0.8

Source: Company, HSIE Research

1yr Price movement



Thematic reports by HSIE



Cement: WHRS – A key cog in the flywheel



Autos: Where are we on "S" curve?



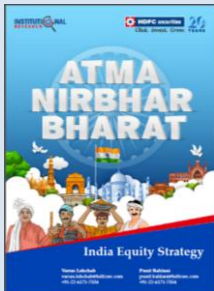
FMCG: Defensive businesses but not valuations



Autos: A changed landscape



Banks: Double whammy for some



India Equity Strategy: Atma Nirbhar Bharat



Indian IT: Demand recovery in sight



Life Insurance: Recovery may be swift with protection driving margins



Retail: Whole flywheel is broken?



Appliances: Looming beyond near-term disruption



Pharma: Chronic therapy – A portfolio prescription



Indian Gas: Looking beyond the pandemic



India Equity Strategy: Quarterly flipbook



Real Estate: Ripe for consumption



Indian IT: expanding centre of gravity



Indian Chemical: Evolution to revolution!



Life Insurance: ULIP vs. MF

**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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