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20
YEARS

Initiating Coverage Ircon International Ltd

10-August-2020





Industry	LTP	Recommendation	Base Case Fair Value	Bull Case Fair Value	Time Horizon
Construction & Engineering	Rs. 95.4	Buy at LTP and add on dips to Rs.86.5-88.5 band	Rs.105.5	Rs.114.6	2 quarters

HDFC Scrip Code	IRCIITEQNR
BSE Code	541956
NSE Code	IRCON
Bloomberg	IRCON IN
CMP 7 th August, 2020	95.4
Equity Capital (Rs cr)	94.1
Face Value (Rs)	2.0
Equity Share O/S (cr)	47.1
Market Cap (Rs cr)	4486.2
Book Value (Rs)	88.7
Avg. 52 Wk Volumes	1380547
52 Week High	119.8
52 Week Low	58.0

Share holding Pattern % (June, 2020)	
Promoters	89.2
Institutions	3.1
Non Institutions	7.7
Total	100.0

Fundamental Research Analyst

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Our Take:

The company is a Miniratna (Category - I) Public Sector Enterprise and a leading turnkey Construction Company in the public sector. IRCON is the only Indian PSU to be ranked in the list of Top 250 international contractors of Engineering News Record (ENR) magazine of USA published in the year 2019. Domestically, the company has completed around 3025 odd projects in India and internationally, it has executed around 110 projects in more than 24 countries till now. Due to the current COVID situation execution may see a significant drop during the H1FY20, but, the management expects to bring about similar growth story as of FY20, from the second quarter of FY21E onwards.

Railway projects form up the main part of the company's activities, which is one of the main focus areas of the government to augment economic activities. Various ongoing projects, aided by gradual return of labour is going to be helpful, as the economy reopens in phases.

Valuations & Recommendation:

We expect IRCON's revenue/EBIT/PAT to increase at a CAGR of 4.8%/5.9%/5.8% over FY20-22E. We expect the company's ongoing projects (both domestically and internationally), improvement in the situation of labour, healthy order book, and sound financials to aid the company during these trying times. We expect the first half of FY21 to take a hit due to slow execution, but, the same is expected to take a turn for the better from Q2FY21E onwards.

The company is largely insulated from the effects of pandemic due to its committed orders and thrust by Govt to incur Capex by PSUs. IRCON had aggressively brought down its debt in FY20, whereby its debt equity ratio came down from 0.78:1 in FY19 to 0.44:1 in FY20. Its order book of Rs 30712.7cr is equivalent to almost 6 years sales and hence provides enough revenue visibility. At a price of Rs.95.4, it provides dividend yield of ~5% assuming FY20 dividend of Rs.4.8 is maintained going forward.

We feel that investors can enter the stock at the LTP of Rs.95.4 (7.9x FY22E EPS and 4.0x FY22 EV/EBITDA) and add on dips to Rs 86.5-88.5 band (7.25x FY22E EPS and 3.5x FY22 EV/EBITDA). We think the base case fair value of the stock is Rs.105.5 (8.75x FY22E EPS and 4.6x FY22 EV/EBITDA) and its bull case fair value is Rs.114.6 (9.5x FY22E EPS and 5.2x FY22EV/EBITDA) over the next two quarters.



Financial Summary

Particulars (Rs cr)									
	Q4FY20	Q4FY19	YoY-%	Q3FY20	QoQ-%	FY19	FY20	FY21E	FY22E
Total Operating Income	1873.4	1797.2	4.2%	1211.0	54.7%	4798.4	5391.5	4598.9	6213.2
EBITDA	155.0	188.3	-17.7%	153.5	0.9%	481.2	604.2	436.9	739.4
Depreciation	22.6	16.4	38.2%	21.2	6.8%	51.6	82.9	92.9	106.8
Other Income	23.2	157.7	-85.3%	36.2	-35.9%	191.2	148.2	110.4	161.5
Interest Cost	4.4	27.9	-84.4%	12.5	-65.0%	14.5	27.9	20.8	37.7
Tax	39.8	186.7	-78.7%	21.7	83.5%	174.2	186.7	125.2	217.1
APAT	115.4	115.1	0.3%	142.4	-19.0%	432.0	454.9	308.3	539.3
Diluted EPS (Rs)	12.3	51.6	-76.2%	15.1	-19.0%	9.6	10.3	7.2	12.1

(Source: Company, HDFC sec)

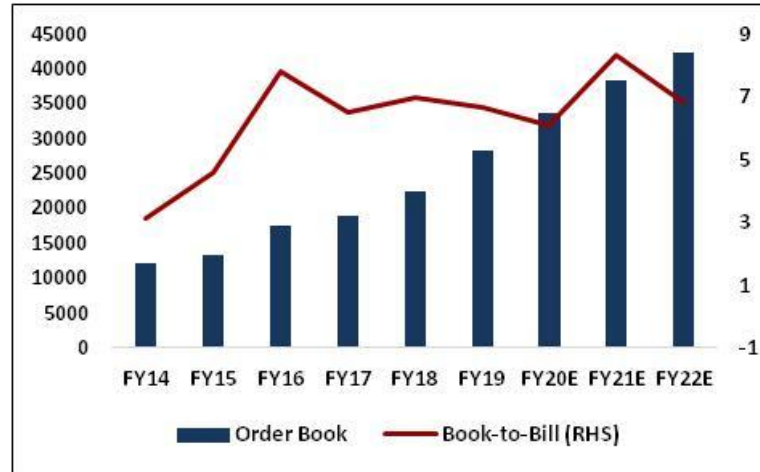
Recent Developments

Revenue visibility through robust order book

IRCON caters to both domestic as well as international markets and receive orders both on tender basis as well as through nomination by the Ministry of Railways. The company has a healthy Order Book of Rs 45,000cr, out of which executable is Rs 30712.7cr as on 31.03.2020. Out of these, Railway projects account for 95% (~Rs 29182cr) of its order book, and highways the rest. Out of this order book Domestic comprises of 95.6% (Rs 29387.1cr), and international (Rs 1325.7cr).

Company's projects at South Africa (Majuba Rail Project) have been successfully completed for procurement of plant design, supply and installation of overhead track Equipments, traction sub-stations, and auxiliary power supply sub-stations, bulk power supplies switching stations and signalling systems.

With CAPEX on roads and railways expected to increase in the coming years the company is likely to receive even higher order inflows.



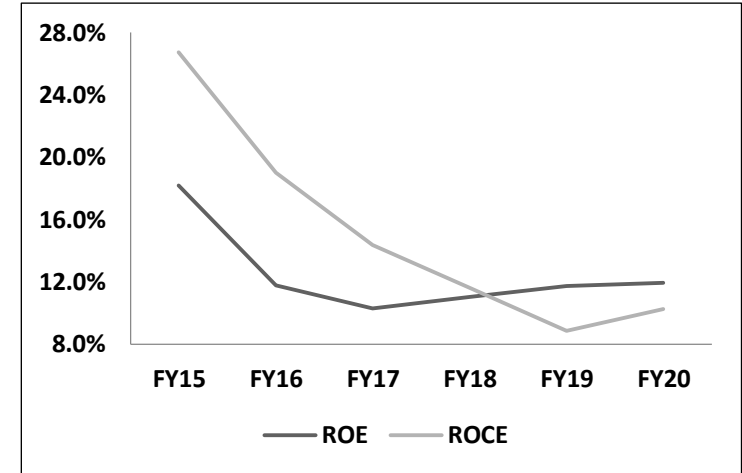
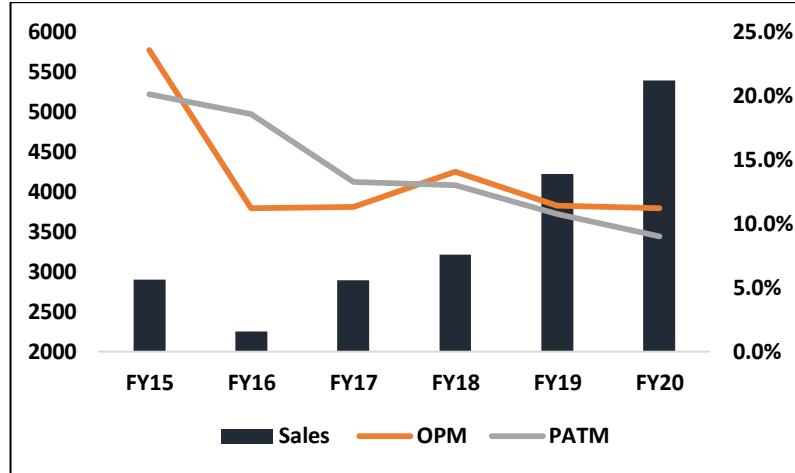
No major impact on the CAPEX due to the pandemic, which augurs well for the company:

The ministry of railways has fixed around Rs 1.5 lakh cr of expenditure on an annual basis in the Indian railway budget, of which a large part of it would be in the construction activities of which IRCON is a beneficiary. IRCON is among the highest priority companies in terms of CAPEX when it comes to government's infrastructure plans. The government in order to kick-start the economy sees railways to be one of the major areas in developmental works. The company has done works like new lines, construction or gauge conversion, doubling or railway electrification etc. The Indian government is not going to lower its expenditure in any of these works, and the management believes that the former will stick to what it has presented in the budget.

This will further create various avenues for the company once the economy normalises, which is expected to pick up pace from the second half. Consequently, execution should also pick up its pace from Q2FY21E. These railway lines are capacity enhancing projects of Indian railways which IRCON is involved in, so these will be implemented in any case go ahead and funds will be made available.

The company has decent financials with strong cash flows:

IRCON International Limited is financially strong and has all the resources to safely sail through these tough times. IRCON has a strong cash balance of Rs 2672.6cr as of FY20, out of which ~26% is its own money, and the rest is the advance received from its customers. With execution picking up, top-line and profitability would also rise thereby, raising return ratios.



IRCON has various projects under its kitty which provide medium term visibility:

IRCON is upbeat about getting few projects in highway, where, it is one of the most trusted public sector companies. There are three road projects where toll operations are underway. The first is in a joint venture with Soma Tollway called as IRCON Soma Tollway Private Limited, (ISTPL). This is a project in Maharashtra. The second project where the company is tolling right now is Bikaner-Phalodi and the third one is Shivpuri-Guna. Under the Hybrid Annuity Model, for highway tenders that the company bids, the management expects to be receiving at least one or two of them out of the six.

The company has been also preparing for the forthcoming Zoji-La tunnel tender which is roughly Rs 5000cr. The company is also in an advanced stage of negotiation with NIIFL (National Investment and Infrastructure Fund) for the sale of equity mainly in three projects.

One is VKEL, that is Vadodara-Kim Highway Project under HAM model; second is Davanagere-Haveri Project, again in HAM model in Karnataka and the third is Shivpuri-Guna project for which the tolling is already underway.

Out of Rs 1400cr of loans & advances, the company had shifted some of those to SPVs (Shivpuri Guna projects of around Rs 564cr) and it has also tied up for loans with two banks for two HAM projects. And the proposal is lying with NHAI (National Highways Authority of India) for its final approval.

Among international projects the company is eyeing Malaysia's two very important projects which will be roughly Rs 10,000-12,000cr, and is hopeful of this project. Sri Lanka has awarded an International Railway Contract worth Approx USD 91.3 Million (equivalent to Rs 635cr) from Sri Lanka Railways under the Ministry of Transport & Civil Aviation, Govt. of Sri Lanka. The contract is for up-gradation of the Northern Railway line of 128 Km and associated work from Maho –Omanthai in Sri Lanka. IRCON bagged this project through open bidding under LOC scheme of Exim Bank. IRCON has past experience of Railway projects in Sri Lanka and by using its experience of Sri Lankan Railways IRCON is capable of executing this project successfully. Mobilization of resources is in progress including camp establishment and survey work. Tender for sub-contracting has also been initiated. The company is scouting for projects in foreign countries under the Indian lines of credit/Buyers credit and we expect some of the projects to materialise this year.

Other projects in various parts of the country (Bihar, Sikkim Rangpo project) are also going on. Labour issues are getting resolved, even as the company is witnessing large number of labour coming back. So, all these projects put together provide a medium term visibility for the company.

Major Projects completed during FY20:

In FY 2019-20 IRCON has completed following three Electrical Projects

1. RAPDRP - Part B Project under Jammu province (Cluster - I, Jammu Left)
2. RAPDRP - Part B Project under Jammu province (Cluster - II, Jammu Right)
3. R-APDRP Part B Project (Cluster-IV) (Akhnoor, Rajouri, Poonch, Udhampur, Doda, Kishtwar & Bhandarwah)
4. Major portion of Rail Coach Factory, Raebareli Project has been completed



Ircon has executed 16.139 Kms of Tunnel and 12.714 Km of Lining in FY 2019-20 in the Himalayan geology & has planned for 16Kms of Tunnel & 30 Kms of Lining in next year. In ROB Bihar Project IRCON has completed 13 ROB's out of 14 in Phase-I and all 11 ROB's in Phase-II.

It has completed following railway electrification work in FY 2019-20:

1. 349.7 Tkm in Mathura-Kasganj - Kalyanpur RE Project
2. 241.9 Tkm in Katni Singrauli RE Project.
3. 17.6 Tkm in Katni Singrauli Doubling Project
4. 25.5 Tkm in Kiul Gaya Doubling Project
5. 40.3 Tkm in Hajipur Bachwara Doubling Project
6. 64 Tkm in CERL-I - Kharsia to Dharamjaigarh with a Spur from Gharghoda to Gerepalema.

In On-going Doubling/ New Lines Projects approx. 250 Kms of Doubling/ New Lines work has been completed as on 31.03.2020

In Sivok - Rngpo Project work for Tunnel T-1 to T-6 & T-9 to T-14 is in progress.

Long term Triggers

Diversified operations across sectors and geographies

Incorporated mainly for the purpose of construction of railway projects in India and abroad, IRCON has diversified into various infrastructure segments and is now an established player in the field of railways and highways construction. Besides, it also caters to customers in many other areas like commercial and residential complexes, power transmission lines, industrial lighting, bridge/flyovers, tunnels, multi-function complex (MFC) and aviation. The company has a broad range of clients within the government and private sectors, both domestic and international. Its broad geographical coverage has helped it achieve its objective to gradually move from a construction company to a diversified company having a portfolio of BOT/DBFOT/EPC and other contracts as well as project development and operation through JVs/SPVs.

IRCON has so far completed more than 3025 odd projects in India and internationally and have executed around 110 projects in more than 24 countries. It operates not only in a highly competitive environment but also in difficult terrains and regions in India and abroad and is an active participant in prestigious nation building projects. A significant number of its projects are implemented through special purpose vehicles formed for the respective projects.



IRCON on 14th of May 2020 signed a MoU with RZD International LLC, a subsidiary of state-owned Russian Railways Company to explore opportunities for joint development of railways and other infrastructure projects in Asia, Africa and Latin America. According to the MoU both parties have agreed to form a joint Indian – Russian working group. This group will look into ways of developing strong partnership to coordinate, plan and subsequently implement projects in field of railways and other infrastructure not only in India but also in countries of mutual interest. This partnership will open up many doors which will benefit the company in the long-run.

Excellent execution track record

IRCON has developed some of the best processes and methodologies in the industry to provide economic solutions and quality output while meeting tight schedules on the most challenging projects. It has a track record of on-time and high quality project completion which has helped in developing a strong reputation resulting in increased opportunities to bid for larger and more prominent projects. Through years of development, it has put in place well-tested systems and controls as below:

Robust contract management: Once a contract is awarded to the company, it actively tracks and manages deliverables and strives to ensure that there is no breach of the contractual terms and conditions. The company provides timely responses and solutions to clients.

Efficient planning and project management: Through its project teams, IRCON plans every step of the project and, over time, it has developed strong project management and execution expertise and capabilities for both domestic and international projects.

Use of innovation in designs and advanced technology: IRCON has been proactive in using modern construction techniques, technology and equipment comparable to the market standard. In executing its projects, IRCON attempts to achieve high efficiency and on-time performance, often by cooperating with leading consultants and manufacturers to innovate and to develop more advanced and efficient methods and techniques.

Policy measures to drive construction spend, will boost private participation

Over fiscals FY19-FY22E, CRISIL research expects the construction sector to increase spends 54% to Rs 22.2tn. Of this ~93% is contributed by infrastructure investments while the rest is from Industrial.

Construction spending break-up:

Improved models have helped private participation in Roads-

Road projects augur well for construction players, as nearly all funds (save those used for land acquisition) are channelized into construction. Moreover, over the years, the private investments have grown close to public investments due to implementation several models such as BOT-toll, BOT-Annuity, BOT-HAM etc, thereby contributing the highest share of construction spend at 38%.

Increasing railway CAPEX augurs well for IRCON-

Share of Railways in infrastructure spend is also set to increase from ~11% during FY15-FY18 to ~14% in FY19-FY22P driven by investments by public as well as private sector especially in Network decongestion, expansion and safety which account for over half of the total investments in railways during this period. CRISIL Research expects the investments in railway sector to increase by about 77% from Rs 3.9 trillion in fiscals 2015-2018 to Rs 6.8 trillion in fiscals 2019-2022.

Some of the railway projects to be taken up over the next few years include:

- According to India Infrastructure research, the railways sector offers an investment opportunity of over Rs 10 trillion across various segments. Of this, 80% is constituted by rail tunnels, doubling works and new line projects combined together.
- In the next four to five years, IR plans to undertake 22,825 km of new line and 12,215 km of line doubling. Besides, it plans to electrify at least 28,000 km of railway network. Also, 3,360 km of Dedicated Freight Corridor (DFC) is expected to be commissioned by 2020.
- The eight proposed high speed rail (HSR) projects will entail a total investment of at least Rs.13 trillion over the next 15-20 years. In addition, nine semi-HSR projects are in the planning stage.
- Further, IR plans to manufacture a total of 4,839 coaches in 2020-21. It is also setting up 17 new manufacturing units at an estimated cost of Rs 390 billion.
- About Rs.1.1 trillion worth of investment opportunities in station and commercial development around stations is anticipated under IR's station redevelopment programme.

All-inclusive, the railways sector in India is poised to become one of the major drivers for economic growth in the country. Apart from these initiatives, Railways infrastructure development has also been emphasized. This includes focus on commissioning of new Broad Gauge lines, completion of electrification and also providing infrastructure status to station development.



Momentum in road infrastructure investments to continue

Roads are the most common mode of transportation and account for about 86% of passenger traffic and close to 65% of freight traffic. The pace of activity in highways has quickened since fiscal 2016, on the back of sustained government thrust and policy changes.

Introduction of Hybrid Annuity Model

As developers stay shy of the BOT projects due to revenue and traffic risks, the HAM model has significant advantages that encouraged developers to put in their funds into road projects as:

- Pre decided annuity payments eliminate traffic risk
- 40% of Cost funded by Authority, lesser equity requirement by developers
- 10% of Total project Cost as mobilization advance to ease working capital requirements.

However, HAM will put the developers on a tighter leash as

- Financial closure to occur within 150 days of date of agreement in HAM, as opposed to 180 days in BOT Toll
- If Commercial operation date (COD) not achieved within 90 days from schedule, then damages of 0.2% of Performance security per day as opposed to only 0.1% in BOT toll
- If COD doesn't happen within 270 days from date of schedule, project gets terminated. No such mention in BOT toll
- 15 days provided to replenish Performance security in HAM as compared to 30 days in BOT Toll

Other developing countries also offer potential for construction industry in India

A few countries such as Sri Lanka, Bangladesh, Malaysia, Algeria and South Africa also offer avenues for Indian construction companies to expand their foot print due to their increased construction spends as a % of GDP (current prices).

What could go wrong

- A significant drop in execution as well as in financials is expected during H1FY21. Although, the company has started taking steps to retrieve its execution levels, but, still it may face hiccups here and there.

- Railway projects comprise more than 95% of IRCON's order book displaying concentration risk. Also, the company gets 75% of the projects on nomination basis. If the Government were to open such projects for bidding then its order inflow and revenues could suffer.
- IRCON has created 4 SPVs for executing road projects secured from NHAI and is also a stakeholder in five SPVs to undertake rail connectivity projects for coal movement. It has invested Rs 490cr and has additional commitments of Rs 178cr. Besides, the company has also given loans of Rs 1068cr to subsidiaries and JVs. These investments could be a drag if the execution pace does not pick up, and returns don't show expected results.
- IRCON is exposed to the risk of executing international projects especially in the difficult terrains and territories. Thus, changes in foreign policies also impact its operations.
- IRCON has moderate return ratios due to low PAT margins and low Asset turnover ratios. It has made significant additions to gross block over FY19 and FY20, whose impact of revenues and margins is yet to be seen in material way.
- Govt of India still owns 89.2% stake in the company. It will over time have to bring down the stake to 75% which will mean possibility of OFS and further float in the market.
- Q4 is the best quarter for IRCON as all major billings by PSUs and release of funds happens in that quarter. This results in seasonality risks for the company.

About the company

IRCON International Ltd (IRCON) was incorporated in April 1976 as Indian Railway Construction Company Limited mainly for the purpose of construction of railway projects in India and abroad. IRCON is a Mini Ratna Category – I Public Sector Undertaking since 1998 providing provide EPC services on a fixed-sum turnkey basis, item-rate basis and BOT mode for various infrastructure projects. The company has diversified into roads, buildings, electrical substation and distribution, airport construction, commercial complexes and metro segments but majorly earns revenue from the railway segment. Headquartered in New Delhi it has an overseas office in Malaysia. Additionally, have 26 project offices in India and abroad (including in Sri Lanka, Bangladesh, South Africa and Algeria) and five regional offices to support and



manage our business operations. The company raised funds through an Initial Public Offer in September 2018 through offer for sale and was listed on BSE and NSE on September 28, 2018.

IRCON has a rich experience in executing major construction and infrastructure projects, both internationally and domestically. While most of the projects are handled independently, it forms specific joint ventures and consortiums with other infrastructure and construction companies to meet specific eligibility requirements. It has received several awards, including Dun and Bradstreet Infra Awards 2017 in Construction and Infrastructure Development (Railways), India Pride Award 2016-2017 (Central PSU) and the Governance Now 5th PSU Awards for Consistent Growth. The core operations of the company are divided into two segments i.e. (i) construction and (ii) infrastructure development.

Construction

In railway construction business, IRCON is a turnkey construction company that specializes in new railway lines, rehabilitation/conversion of existing lines, station buildings and facilities, bridges, tunnels, signalling and telecommunication, and railway electrification. Projects are usually awarded to it directly or where applicable, the Ministry of Railways awards projects to it indirectly through nomination. In electrical business, it carries out railway electrification and railway siding as turnkey projects. IRCON leverages its in-house design capacity to carry out projects on EPC basis.

Infrastructure Development Business

In the infrastructure development business, IRCON develops and maintain railways and roads on a BOT basis. As of FY19 it had completed two road projects and work on two more projects was underway. IRCON is currently focusing on executing projects under the EPC, DBFOT and hybrid annuity modes, as there has been an increase in high value projects being bid using these modes of project execution.



Peer comparison-

Companies	FY20									
	Income from operations (Rs in Cr)	OPM %	PAT%	EPS (Rs)	*CMP (Rs)	P/E	P/BV	EV/EBITDA	ROCE	ROE
IRCON	5391.5	11.2%	9.0%	10.3	95.4	9.2	1.1	6.1	10.3%	11.9%
RITES	2474.4	26.7%	25.6%	25.3	244.5	9.7	2.3	4.2	32.8%	24.0%
RVNL	14530.6	5.4%	5.2%	3.6	19.2	5.3	0.8	9.3	25.3%	14.7%

*CMP as on 7th August 2020

Financials

Income Statement

(Rs in Cr)	FY18	FY19	FY20	FY21E	FY22E
Net Revenues	4024.2	4798.4	5391.5	4598.9	6213.2
<i>Growth (%)</i>		19.2%	12.4%	-14.7%	35.1%
Operating Expenses	3572.0	4317.3	4787.3	4162.0	5473.8
EBITDA	452.2	481.2	604.2	436.9	739.4
<i>Growth (%)</i>		6.4%	25.6%	-27.7%	69.2%
EBITDA Margin (%)	11.2%	10.0%	11.2%	9.5%	11.9%
Depreciation	16.4	51.6	82.9	92.9	106.8
EBIT	624.8	620.7	669.4	454.3	794.1
Other Income	189.0	191.2	148.2	110.4	161.5
Interest expenses	65.1	14.5	27.9	20.8	37.7
PBT	559.7	606.2	641.6	433.5	756.4
Tax	146.8	174.2	186.7	125.2	217.1
RPAT	412.9	432.0	454.9	308.3	539.3
<i>Growth (%)</i>		4.6%	5.3%	-32.2%	74.9%
EPS	8.9	9.6	10.3	7.2	12.1

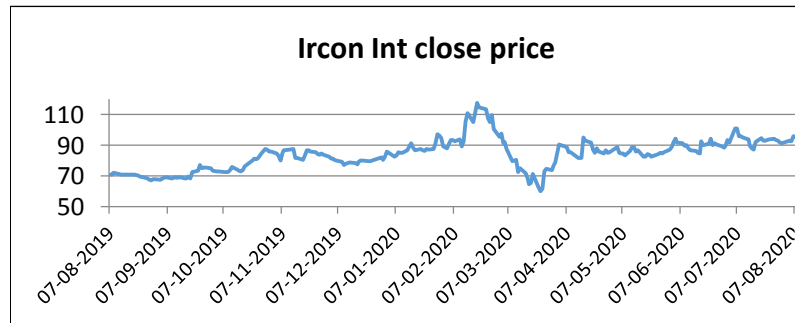
Balance Sheet

(Rs in Cr)	FY18	FY19	FY20	FY21E	FY22E
SOURCE OF FUNDS					
Share Capital - Equity	94.1	94.1	94.1	94.1	94.1
Reserves	3667.2	3870.2	4077.3	4225.5	4534.1
Total Share-holders Funds	3761.2	3964.2	4171.3	4319.5	4628.2
Minority Expenses	0.0	0.0	0.0	0.0	0.0
Long Term Debt	3200.0	2560.0	1845.9	1625.9	1390.9
Short Term Debt	0.0	516.5	0.0	0.0	0.0
Total Debt	3200.0	3076.5	1845.9	1625.9	1390.9
Net Deferred Taxes	-133.9	-128.4	-90.1	-90.1	-90.1
Non Current Liabilities	1315.3	1135.4	784.9	826.3	1112.1
TOTAL SOURCES OF FUNDS	8142.6	8047.7	6712.0	6681.6	7041.1
APPLICATION OF FUNDS					
Net Block	209.8	1412.6	1487.5	1722.5	1799.7
Goodwill	0.0	0.0	0.0	0.0	0.0
CWIP	963.7	55.2	29.7	29.7	29.7
LT Loans & Advances	39.7	39.5	39.3	36.8	49.7
Other Non Current Assets	3810.9	4194.8	3747.6	3079.9	3887.1
Total Non-current Assets	5024.0	5702.1	5304.1	4868.9	5766.2
Inventories	140.7	331.9	320.7	277.2	374.5
Debtors	675.2	666.0	551.2	529.2	714.9
Other Current Assets	2106.4	3406.4	3939.7	3100.5	4113.2
<i>Cash & Equivalents</i>	4690.6	3084.0	2672.6	2893.0	2490.9
Total Current Assets	7613.0	7488.4	7484.2	6799.9	7693.5
Creditors	510.3	565.5	589.2	491.4	646.9
Current Liabilities	3984.1	4577.2	5487.0	4495.9	5771.8
Total Current Liabilities	4494.4	5142.7	6076.2	4987.3	6418.6
Net Current Assets	3118.6	2345.7	1407.9	1812.6	1274.9
TOTAL APPLICATION OF FUNDS	8142.6	8047.7	6712.0	6681.6	7041.1

Cash Flow Statement

(Rs in Cr)	FY18	FY19	FY20	FY21E	FY22E
EBT	555.4	624.3	672.0	433.5	756.4
Depreciation	16.4	51.6	82.9	92.9	106.8
Int & Others	-155.3	-175.1	-147.2	720.8	-524.1
Change in working capital	-2,973.4	-1,621.9	6.5	27.3	413.1
Tax expenses	-60.0	-98.1	-71.1	-125.2	-217.1
CF from Operating activities	-2,616.8	-1,219.2	543.2	1,149.4	535.2
Net Capex	-673.4	-1,167.0	-93.6	-300.0	-156.0
(Purchase)/Sale of Investment & Others	460.4	1,633.8	405.2	-200.0	-250.0
Div & int rec	192.8	183.0	99.5	0.0	0.0
CF from Investing activities	-20.3	649.8	411.1	-500.0	-406.0
Borrowings/Repayments	3,203.1	146.2	-678.1	-220.0	-235.0
Dividends paid	-231.6	-238.8	-275.2	-188.1	-258.6
Interest Paid	0.0	0.0	0.0	-20.8	-37.7
Other Adjustments	-234.1	0.0	0.0	0.0	0.0
CF from Financing activities	2,737.4	-92.6	-953.4	-428.9	-531.3
Net Cash Flow	100.4	-662.0	0.9	220.4	-402.2

One Year Stock Price Chart-



Key Ratios

(Rs in Cr)	FY18	FY19	FY20	FY21E	FY22E
EBITDA Margin	11.2%	10.0%	11.2%	9.5%	11.9%
EBIT Margin	15.5%	12.9%	12.4%	9.9%	12.8%
APAT Margin	10.4%	9.5%	9.0%	7.3%	9.1%
RoE	11.0%	11.7%	11.9%	7.9%	12.7%
RoCE	11.6%	8.9%	10.3%	7.6%	13.3%
Solvency Ratio					
Net Debt/EBITDA (x)	7.1	6.4	3.1	3.7	1.9
Net D/E (x)	0.9	0.8	0.4	0.4	0.3
PER SHARE DATA					
EPS	8.9	9.6	10.3	7.2	12.1
CEPS	9.2	10.7	12.1	9.1	14.3
Book Value	80.0	84.3	88.7	91.9	98.4
Dividend	4.0	4.3	4.8	4.0	5.5
Turnover Ratios (days)					
Debtors (days)	65.1	58.0	41.2	42.9	36.5
Inventory (days)	15.9	20.4	22.1	23.7	19.1
Payables (days)	49.4	46.5	39.1	42.9	33.4
VALUATION					
P/E (x)	10.7	9.9	9.2	13.3	7.9
P/BV (x)	1.2	1.1	1.1	1.0	1.0
EV/EBITDA (x)	6.1	9.1	6.1	6.9	4.0
EV/Revenues (x)	0.9	1.0	0.7	0.7	0.5
Dividend Yield (%)	4.2%	4.5%	5.0%	4.2%	5.8%
Div Payout-%	45.0%	44.6%	46.0%	55.9%	45.6%



Disclosure:

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