



# Pick of the Week

## Ashoka Buildcon Ltd.

March 17, 2025



Industry	LTP	Recommendation	Base Case Fair Value	Bull Case Fair Value	Time Horizon
Infrastructure/Construction	Rs. 172	Buy in Rs. 170-174 band and add on dips in Rs. 153-156 band	Rs. 189	Rs. 206	2-3 quarters

HDFC Scrip Code	ASHBUIEQNR
BSE Code	533271
NSE Code	ASHOKA
Bloomberg	ASBL:IN
CMP March 13, 2025	172
Equity Capital (Rs Cr)	140
Face Value (Rs)	5
Equity Share O/S (Cr)	28.1
Market Cap (Rs Cr)	4833
Book Value (Rs)	139
Avg. 52 Wk Volumes	2583724
52 Week High	319
52 Week Low	141

Share holding Pattern % (Dec, 2024)	
Promoters	54.47
Institutions	23.98
Non Institutions	21.55
Total	100



\* Refer at the end for explanation on Risk Ratings

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**Our Take:**

Ashoka Buildcon Limited is a Fortune India 500 company with over four decades in the construction sector and is one of the leading highway developers in India. The company is an integrated EPC, BOT and HAM player. Headquartered in Nashik, ABL is a leading infrastructure construction firm in India, specialising in the road, building, and power sectors. Since its establishment in 1993, the firm has expanded from its initial concentration on building projects to a significant role in highway development, beginning with its first BOT project in 1997. Presently, ABL's activities span across roads, power T&D, railways, buildings and sewage water. The company ventured into commercial gas distribution in 2016, from which, it exited in 2024.

ABL has a healthy outstanding order book position with favourable outlook for diversified engineering, procurement, and construction (EPC) companies owing to a large pipeline of projects in transmission and distribution, roads, railways and urban transportation. With experienced management, ABL has constructed over 14,000 Lane Kms of highways and illuminated 30,000 villages through power T&D projects.

As on December 31, 2024, ABL has an outstanding order book position of Rs. 16,457 cr, indicating moderate revenue visibility at 1.67x of FY24 revenues. This excludes L1 orders of Rs. 265 crores. ABL's order book is geographically diversified with presence across 20 states and overseas markets. Roads and railway projects comprise around ~Rs. 14,000 cr, which is 74% of the total order book. Among the road projects order book, HAM projects are to the tune of Rs. 2,020 cr and EPC road projects are worth Rs. 9,663 cr. The railway is around Rs. 416 cr. Power T&D accounts for Rs. 3,796 cr, which is approximately 23% of the total order book. The total building EPC segment is Rs. 562 cr which is just 3% of the total order book.

ABL and its subsidiary ACL has a portfolio of 21 BOT projects (Toll, Annuity and HAM), of which, 20 projects are operational and one is still under construction. Of the 21 road assets, 13 are held under ACL (7 NHAI HAM, five NHAI Toll and one State Toll), while the remaining eight assets are held directly under ABL (4 NHAI HAM, three NHAI BOT Annuity and one State BOT Annuity). All operational projects are self-sufficient and don't require support from ABL in the next 2-3 years. In line with ABL's asset monetization plan, company has monetized 11 HAM and has entered into SPA with EAAA India Alternatives Limited for sale of entire share capital and management control of the SPVs held by the company and its subsidiaries for a consideration of Rs. 2,324 cr. For BOT projects, sale of assets is presently only of the 5 projects, for which SPAs have been signed. Going forward, with the completion of asset monetization, the company will significantly reduce debt and simplify corporate structure. On account of its healthy order book, experienced management, traction in T&D segment, reduction in credit risk by asset monetization and governments thrust on infrastructure development, we expect the company to have a medium to

long term growth potential with higher sales and profitability.

**Valuation & Recommendation:**

Given the stable OB, improving visibility on asset monetization, and margin expansion on the back of new order execution, we maintain BUY. We expect Revenue/EBITDA/PAT to grow at a CAGR of 9%/21%/24% over FY24–27E. **We think the base case fair value of the stock is Rs.189 (10.3x FY27E EPS) and the bull case fair value is Rs.206 (11.2x FY27E EPS) over the next 2-3 quarters. Investors can buy the stock in the band of Rs 170-174 (9.4x FY27E EPS) and add more on dips to the band of Rs. 153-156 (8.4x FY27E EPS).**

**Standalone Financial Summary:**

(Rs cr)	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	FY23	FY24	FY25E	FY26E	FY27E
Operating Income	1792	2134	-16.0	1418	26.4	6372	7727	7534	8664	9876
EBITDA	163	177	-7.5	119	37.2	534	576	625	823	1017
APAT	61	87	-30.1	36	67.4	318	269	166	341	516
Diluted EPS (Rs)	2.2	3.1	-30.1	1.3	67.4	11	10	6	12	18
RoE-%						10.5	7.5	4.3	8.2	11.3
P/E (x)						15.2	18.0	29.1	14.2	9.4
EV/EBITDA						10.6	10.0	7.7	5.8	4.5

(Source: Company, HDFC Sec)

**Q3FY25 Result Review:**

Standalone revenue from operation declined by 16% YoY to Rs. 1,792 cr. EBITDA was reported at around Rs. 163 cr, which decreased by around 7.5% YoY with the EBITDA margin reported at 9.1% growing 84 bps YoY. Net profit was around Rs. 61 cr, which represents a decrease of 30.1% YoY. PAT margin for the quarter stood at 3.4%. Total consolidated debt as on 31st December 2024, stood at Rs. 6,847 cr. Standalone debt is at Rs. 1,466 cr, which comprises of Rs.107 cr of equipment and term loans and Rs. 1,059 cr for working capital loans. In Q3FY25, ABL’s toll collection division, the company recorded a gross toll collection of Rs.330.9 cr as against Rs.314.4 cr in Q3FY24, recording a growth of 5%. In 9MFY25, ABL did a capex of approximately Rs.55 cr. In Q4, company has planned another ~ Rs.20 cr. For FY26, company expects a capex of Rs.125 cr.

**Key Business developments:**

- Ashoka Concessions Limited, a subsidiary of the Company has entered into share purchase agreements with Indian Highways Concessions Trust inter alia for divestment of its five subsidiaries - Ashoka Highways Bhandara Ltd., Ashoka Highways Durg Ltd, Ashoka Belgaum Dharward Tollway Ltd., Ashoka Sambalpur Baragarh Tollway Ltd. and Ashoka Dhankuni Kharagpur Tollway Ltd. The

aggregate enterprise value of the transaction is Rs. 5,718 cr subject to adjustments for cash and debt translating to an equity value of Rs. 2,539 cr.

- Acquisition of 34% of ACL from Macquarie SBI Infrastructure Investments & Pte. Limited and SBI Macquarie Infrastructure Trust for Rs. 1,526 crores. The Company to acquire, 100% of investments of Investors in ACL comprising of 3,40,000 equity shares of Rs.10/- each, fully paid-up, comprising 34% equity share capital of ACL and 77,41,250 Class A CCDs & 2,00,00,000 Class B CCDs (ACL Securities) at an aggregate consideration of Rs. 1,526 crores (ACL Purchase Consideration). Post-acquisition of ACL Securities held by Investors, ACL would become wholly-owned subsidiary of the Company with effect from the date of acquisition of ACL Securities.
- In Line with ABL's asset monetization plan, company on 1<sup>st</sup> Jan 2025, announced the monetization of 11 HAM projects and entered into SPA with Epic Concesiones 2 Private Limited, Epic Concesiones 2 Private Limited, Infrastructure Yield Plus II and Infrastructure Yield Plus IIA (part of Edelweiss Alternative Asset Advisors and Edelweiss Financial Services) for sale of entire share capital and management control of the SPVs held by the company and its subsidiaries for a consideration of Rs. 2,324 cr
- Viva Highways Ltd., a subsidiary of the Company to acquire investments of Investors i.e. 7,46,20,000 equity shares comprising 26% equity share holding of its affiliate viz. Jaora Nayagaon Toll Road Company Private Limited, at an aggregate consideration of Rs. 150 crores.
- ABL and Indira Projects & Development (Tamil Nadu) Private Limited had entered into a JV and formed ABL Indira Projects JV LLP for execution of Project at Maldives. ABL held 90% in the said LLP. The Company has entered into an SPA with Indira Projects & Development (Tamil Nadu) Private Limited and LLP for the transfer of its entire 90% stake in said LLP for an amount of Rs. 5.45 crores.
- Land owned under the Real Estate Portfolio by Viva Highways Limited, a wholly owned subsidiary, situated at Hinjewadi, Pune, has been monetized for a total consideration of Rs. 453 Crore.

#### Key Order Updates Q3FY25:

- Provisional completion certificate of 39.07 km out of total 40.6 km for the project executed by Ashoka Baswantpur Singnodi Road Private Limited, an SPV, a wholly owned subsidiary of the company.
- Letter of acceptance for MSRDC projects in October 2024 for an aggregate value of Rs. 2,309 cr.
- LOA from BMC for a project of construction of flyover at T Junction on Sion Panvel Highway in Maharashtra for a value of Rs. 1,126 cr inclusive of GST.
- 3 LOAs from MMRDA in October 2024 aggregating to Rs. 1,737 cr.

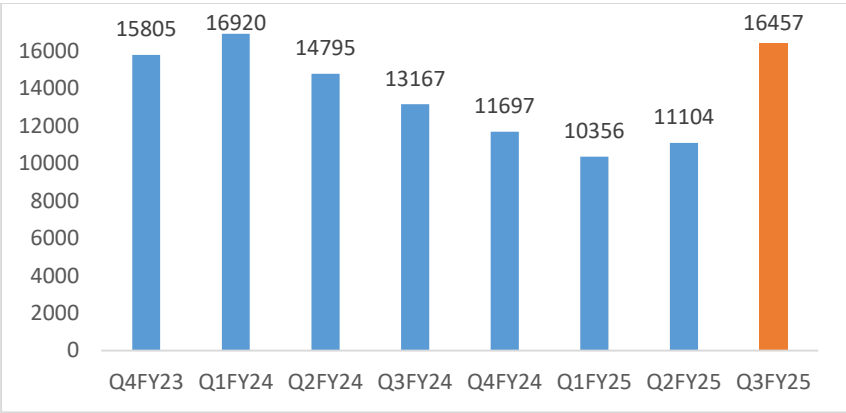
- Letter of award and execution of the concession agreement with National Highways Authority for the project of Rs. 1,391 cr in the state of West Bengal for Bowaichandi HAM project.
- Receipt of notification of award for Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited for Rs. 192 cr which is an EPC contract.
- Execution of contract with Bangalore International Airport Limited, a bid accepted at Rs. 1,055 cr. This is an EPC project for construction of elevated taxiway systems, pavement, drainage and ancillary buildings.
- Receipt of 3 LoA projects from Mumbai Metropolitan Region Development Authority (MMRDA) in October 2024 aggregating to Rs. 1,737.86 cr.
- LOA from CIDCO for EPC Project for an Integrated Infrastructure Development of 20M & above wide Roads, Construction of Various Major & Minor Structures (Viz. Flyover, Minor Bridges, VUPS, PUPS etc.) and Allied Electrical Works (Street Light) in TPS - 10 & TPS - 11 under NAINA Project for a value of Rs. 1,673.24 cr. This is through a JV where the Company is the lead member of the JV (Ashoka JV).
- Company has been declared as the Lowest Bidder (L-1) for the Maharashtra State Electricity Transmission Co. Ltd. (MSETCL) Project. The project bid price is Rs.312.13 cr inclusive of GST.

#### Key Triggers:

##### **Robust Order Book:**

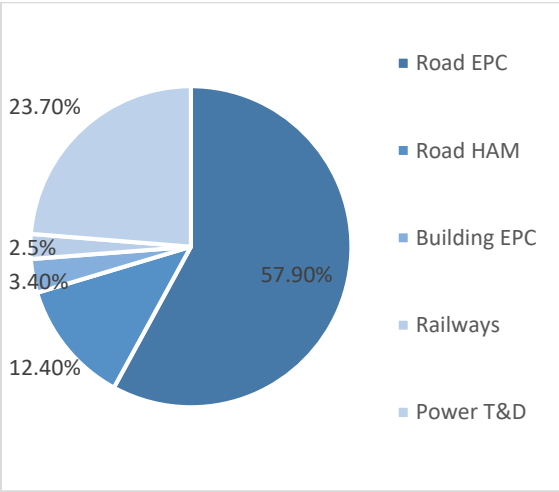
As on December 31, 2024, ABL has an outstanding order book position of Rs. 16,457 cr, indicating moderate revenue visibility at 1.67x of FY24 revenues. This excludes L1 orders of Rs. 265 crores. Executable order book for Q3FY25 stood at Rs. 14,000 cr. ABL's order book is geographically diversified with presence across 20 states and overseas markets. Roads and railway projects comprise around ~Rs. 14,000 cr, which is 74% of the total order book. Among the road projects order book, HAM projects are to the tune of Rs. 2,020 cr and EPC road projects are worth Rs. 9,663 cr. The railway is around Rs. 416 cr. Power T&D accounts for Rs. 3,796 cr, which is approximately 23% of the total order book. The total building EPC segment is Rs. 562 cr which is just 3% of the total order book. Total Order inflow in YTD FY25 is Rs. 9,000 cr and has guided an order inflow of Rs. 3,000 cr for Q4FY25 from participation in bids worth Rs. 1.11 lakh cr. Total bid pipeline from NHA is Rs. 65,000 cr in which ABL will also be participating. Company will focus on higher margin projects from T&D segments going forward in Q4FY25 and management is confident of achieving the guidance of ~8.5% in FY25 and double digit margins in FY26. Order inflow in FY26 is expected to be in the range of Rs. 12,000-14,000 cr. Margin Improvement will be seen on account of greater percentage of revenues from new projects which will be bid more aggressively going ahead.

Order Book (Rs. Cr)

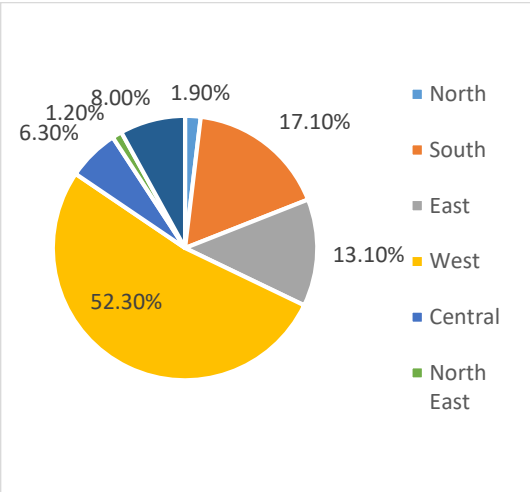


(Source: Company, HDFC Sec)

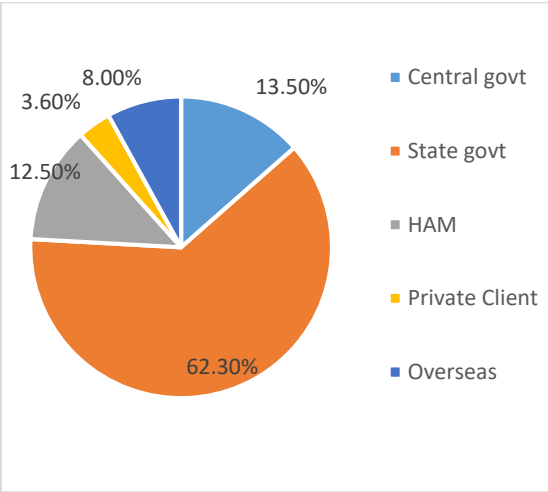
Segment Wise OB distribution



Region wise Breakup



Client Breakup



(Source: Company, HDFC Sec)

Current Order Backlog

Segment			Rs. Crs.	Segment			Rs. Crs.
HAM	Road		11,682	Other EPC Projects			4,775
	Tumkur-Shivamoga IV, Karnataka	255	2,020	Power T&D	Rajasthan	55	3,796
	Baswantpur to Singnodi	38			Jammu & Kashmir	7	
	Tumkur-Shivamoga III, Karnataka	73			Uttar Pradesh	173	
	Tumkur - Shivamoga II, Karnataka	56			Madhya Pradesh	598	
	Tumkur - Shivamoga I, Karnataka	39			Bihar	114	
	Khrar - Ludhiana, Punjab	7			Maharashtra	2,260	
	Belgaum Khanapur	194			Assam	15	
	Bowaichandi to Guskara-Katwa Road	1,318			Benin	137	
Others (HAM Projects)	40	Ivory Cost			167		
EPC	Panagarh to Palsit	22	9,663	Railways	Chhattisgarh	73	417
	Banur - Kharar	228			Others/ Miscellaneous	196	
	Pararia to Mohania NH319, Bihar	6			Jharkhand	58	
	Kwaram Taro, Assam	22			Madhya Pradesh	77	
	Belgaum Sankeshwar	186			Punjab	47	
	Guyana	154			Gujrat	2	
	RD - Eccless Hway - GY Branch	159			Assam	30	
	RD - Guyana Demerara Bridge	69			Bihar	140	
	RD - Demerara Region #4 Lot-1	217			Karnataka	62	
	Baraiyerhat-Heanko-Ramgarh Road, Bangadesh	420		EPC Buildings		563	
	Others	2		Total ( As on 31 <sup>st</sup> December 2024)			16,457
	Aroor Tharavoor	774					
	Khammam Cable Stay Bridge	114					
	CIDCO-N Mumbai-MH	28					
	Bihar - Aurngbad-Chordaha	510					
	Gaimukh to Peyagaon	935					
	Kalyan Murbad Road	474					
	Kolshet to Kalhar	288					
	RD - TPS 10 & TPS 11 -Naina	853					
	RD - Kundalika Creek Bridge	1,283					
	RD - Jaigad Creek Bridge	710					
	RD - Bankot Creek Bridge	304					
	RD - Flyover Sion Panvel Hway	863					
	RD - Kempegowda Airport, Bangaluru	886					
	SPV Maintenance EPC Contracts	157					

(Source: Company, HDFC Sec)

**Experienced Management:** ABL has a track record of more than 40 years in the EPC industry and has shown execution capabilities with presence across power T&D projects, railways, buildings, sewage, and smart infrastructure segments apart from its focus on the road sector. It has worked across 20 states in India. ABL’s operations are managed under the leadership of Ashok Kataria,



Chairman of ABL and Satish Parakh, MD of ABL, with vast experience in the construction sector and are ably supported by qualified senior management team. The promoter's stake is 54.48% as of Dec 31, 2024. The board of ABL comprise eight members, of which, four are independent members.

**Asset Monetization to reduce credit risk:** On October 30, 2024, Ashoka Buildcon Limited (ABL) announced that Ashoka Concessions Limited (ACL), a material subsidiary of ABL, entered into share purchase agreement (SPA) with Indian Highway Concessions Trust for the sale of its entire shareholding held in five BOT toll subsidiaries of ACL i.e., Ashoka Highways (Bhandara) Limited, Ashoka Highways (Durg) Limited, Ashoka Belgaum Dharwad Tollway Limited, Ashoka Sambalpur Baragarh Tollway Limited and Ashoka Dhankuni Kharagpur Tollway Limited for an aggregate equity consideration of Rs. 2,539 cr and enterprise value of Rs. 5,718 cr. The deal is expected to get concluded by March 31, 2025, subject to completion of certain conditions precedent as per the respective Transaction Documents, including receipt of necessary approval / consents from the concerned lenders of the respective SPVs, National Highways Authority of India (NHAI) and the Competition Commission of India (CCI).

From the proposed total consideration to be received, Rs. 1,526 cr will be used to facilitate the exit of SBI Macquarie, which currently holds 34% stake in ACL, Rs. 150 cr will be utilised for acquiring the 26% stake of SBI Macquarie in Jaora Nayagaon Toll Road Company Private Limited (JNTRCPL) and the balance portion will be utilised for the working capital requirements of ABL.

Also, In Line with ABL's asset monetization plan, company on 1<sup>st</sup> Jan 2025, announced the monetization of 11 HAM projects and entered into SPA with EAAA India Alternatives Limited for sale of entire share capital and management control of the SPVs held by the company and its subsidiaries for a consideration of Rs. 2,324 cr. Going forward, with the completion of asset monetization, the company will significantly reduce debt and simplify corporate structure. Overall, ABL's balance equity commitment as of date is around Rs. 380 cr, which is including the last HAM project of approximately Rs. 225 cr. By FY25 end company will spend Rs. 175 cr, 112 cr in FY25-26 and Rs.93 cr in FY26-27.

#### Industry Triggers:

Under the Union Budget 2025-26, the budgetary allocation for the Ministry of Road Transport and Highways (MoRTH) is Rs 2.72 lakh cr and allocation for the National Highways Authority of India (NHAI) now stands at Rs 1.87 lakh cr, an annual increase of around 11 per cent from Rs 1.68 lakh cr (BE) and around 10 per cent from Rs 1.69 lakh cr (RE) in 2024-25.

Government has reinforced its commitment to infrastructure by allocating Rs. 11.21 lakh cr to the sector. Additionally, an outlay of Rs. 1.5 lakh cr has been proposed for 50-year interest-free loans to states for capital expenditure and reforms. These measures aim to support a rapid growth and enhance transport network across the country. The sector continues to build strong momentum driven by ambitious government targets. This year, government aims to award around 12,900 kilometers of highway project, a 50% increase from the previous year. Additionally, the Ministry of Road Transport & Highways is also prioritizing high-speed corridors



while embracing technological advancement, particularly through adoption of artificial intelligence and infrastructure. This includes implementation of automated and intelligent machine-aided construction to enhance efficiency and precision in national highway projects. Government also announced the second Asset Monetization Plan for 2025-2030 aiming to generate Rs 10 lakh crore by monetizing government-owned assets and reinvesting the funds into new infrastructure projects. Jal Jeevan Mission is extended till 2028 with an enhanced total outlay of Rs. 67,000 cr in FY26BE from Rs. 22,694 cr in FY25RE. JJM aims to achieve 100% coverage of potable tap water connections across rural households.

### Risks & Concerns:

**Margins have been low:** ABL's operating margins moderated over the past five years to 7.5% in FY2024 from the highs of 14.9% in FY2020, driven by a change in revenue mix to a relatively lower share of revenues from captive HAM projects (i.e., from 52% in FY2020 to 12% in Q3 FY2025) and the execution of low-margin projects.

**Working capital:** Construction industry inherently operates with high working capital days. Company has an elongated working capital cycle on power sector as lot of contracts won in 2023 have been executed largely in the last 2 years.

**Leverage:** ABL's total debt has increased over Rs. 6850 cr, equity commitment towards HAM projects and increase in working capital intensity in line with growth in scale of operations. Sale of 5 BOT projects and 11 HAM projects will help in reducing the debt to an extent of ~Rs. 3000-3500 cr.

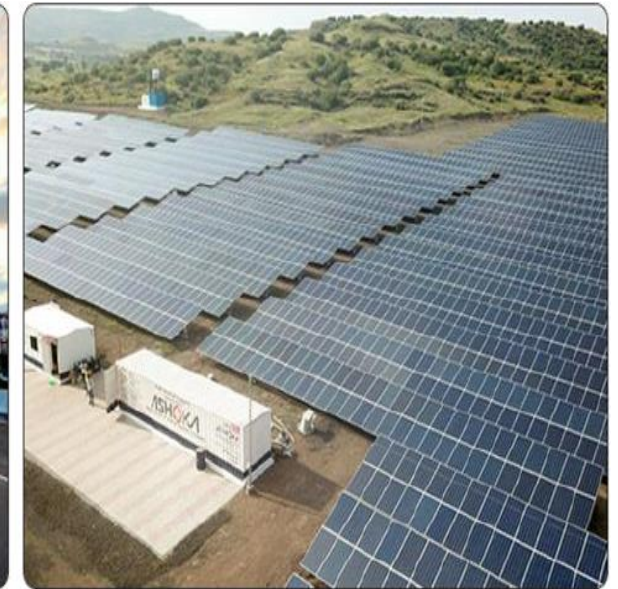
**Competition:** - ABL procures orders through competitive bidding. The presence of multiple players and heightened competition in the road sector for both EPC and HAM projects constrained the operating margins. Owing to intensified competition, strong developers such as ABL forayed into different sectors and few newer geographies, heightening execution risk.

### Company Background:

Ashoka Buildcon Limited is a Fortune India 500 company with over four decades in the construction sector and is one of the leading highway developers in India. The company is an integrated EPC, BOT and HAM player. Headquartered in Nashik, ABL is a leading infrastructure construction firm in India, specialising in the road, building, and power sectors. Since its establishment in 1993, the firm has expanded from its initial concentration on building projects to a significant role in highway development, beginning with its first BOT project in 1997. Presently, ABL's activities span across roads, power T&D, railways, buildings and sewage water. The company ventured into commercial gas distribution in 2016, from which, it exited in 2024.

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(EPC) companies owing to a large pipeline of projects in transmission and distribution, roads, railways and urban transportation. With experienced management, ABL has constructed over 14,000 Lane Kms of highways and illuminated 30,000 villages through power T&D projects.



(Source: Company, HDFC Sec)

**Key Clientele:**



(Source: Company, HDFC Sec)

Financials (Standalone)  
Income Statement

(Rs cr)	FY23	FY24	FY25E	FY26E	FY27E
Net Revenues	6372	7727	7534	8664	9876
Growth (%)	38.8	21.3	-2.5	15.0	14.0
Operating Expenses	5839	7150	6908	7840	8859
EBITDA	534	576	625	823	1017
Growth (%)	6.2	8.0	8.5	31.6	23.6
EBITDA Margin (%)	8.4	7.5	8.3	9.5	10.3
Depreciation	74	105	94	104	105
Other Income	455	331	101	86	120
EBIT	914	803	632	805	1032
Interest expenses	141	228	274	279	282
PBT	773	575	358	526	750
Tax	102	133	122	147	203
PAT	671	442	236	379	548
EO items (net of tax)	349	217	70	38	32
Adj. PAT	318	269	166	341	516
Growth (%)	-22.1	-15.5	-38.2	105.2	51.5
EPS	11.3	9.6	5.9	12.1	18.4

Balance Sheet

Particulars (As at March)	FY23	FY24	FY25E	FY26E	FY27E
<b>SOURCE OF FUNDS</b>					
Share Capital	140	140	140	140	140
Reserves	3229	3672	3859	4189	4671
Shareholders' Funds	3370	3812	3999	4329	4811
Minority Interest	0	0	0	0	0
Total Debt	997	1443	1493	1543	1593
Net Deferred Taxes	-68	-89	-89	-89	-89
Other Non-curr. Liab.	551	549	2867	3154	3470
Total Sources of Funds	4850	5715	8270	8937	9784
<b>APPLICATION OF FUNDS</b>					
Net Block & Goodwill	282	327	283	280	325
CWIP	28	2	2	2	2
Investments	1354	1480	1530	1780	2030
Other Non-Curr. Assets	1316	2524	2524	2524	2524
Total Non Current Assets	2981	4334	4340	4586	4881
Inventories	298	433	392	451	514
Debtors	991	1099	1218	1756	2056
Cash & Equivalents	186	511	1537	1598	1845
Other Current Assets	2675	2269	3447	3726	4086
Total Current Assets	4151	4311	6593	7531	8502
Creditors	1020	1574	1445	1780	2029
Other Current Liab & Provisions	1262	1355	1218	1400	1569
Total Current Liabilities	2282	2930	2662	3181	3599
Net Current Assets	1869	1381	3931	4351	4903
Total Application of Funds	4850	5715	8270	8937	9784

## Cash Flow Statement

(Rs cr)	FY23	FY24	FY25E	FY26E	FY27E
Reported PBT	773.3	575.0	357.9	526.2	750.4
Non-operating & EO items	-463.2	-310.8	-100.5	-85.9	-119.7
Interest Expenses	141.0	228.1	273.7	279.1	281.9
Depreciation	74.2	104.6	94.2	103.6	104.6
Working Capital Change	-313.6	-34.2	794.9	-72.4	11.1
Tax Paid	-139.0	-152.6	-121.7	-147.3	-202.6
<b>OPERATING CASH FLOW ( a )</b>	<b>73</b>	<b>410</b>	<b>1,299</b>	<b>603</b>	<b>826</b>
Capex	-105.7	-112.9	-50.0	-100.0	-150.0
Free Cash Flow	-33	297	1,249	503	676
Investments	-307.3	-197.9	-50.0	-250.0	-250.0
Non-operating income	22.1	29.3	100.5	85.9	119.7
<b>INVESTING CASH FLOW ( b )</b>	<b>-391</b>	<b>-282</b>	<b>1</b>	<b>-264</b>	<b>-280</b>
Debt Issuance / (Repaid)	472.9	400.0	50.0	50.0	50.0
Interest Expenses	-137.0	-227.4	-273.7	-279.1	-281.9
FCFE	18	301	1,075	110	314
Share Capital Issuance	0.0	0.0	0.0	0.0	0.0
Dividend	0.0	0.0	-49.3	-49.3	-65.7
Others	0.0	0.0	0.0	0.0	0.0
<b>FINANCING CASH FLOW ( c )</b>	<b>336</b>	<b>173</b>	<b>-273</b>	<b>-278</b>	<b>-298</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>18</b>	<b>301</b>	<b>1,026</b>	<b>61</b>	<b>248</b>

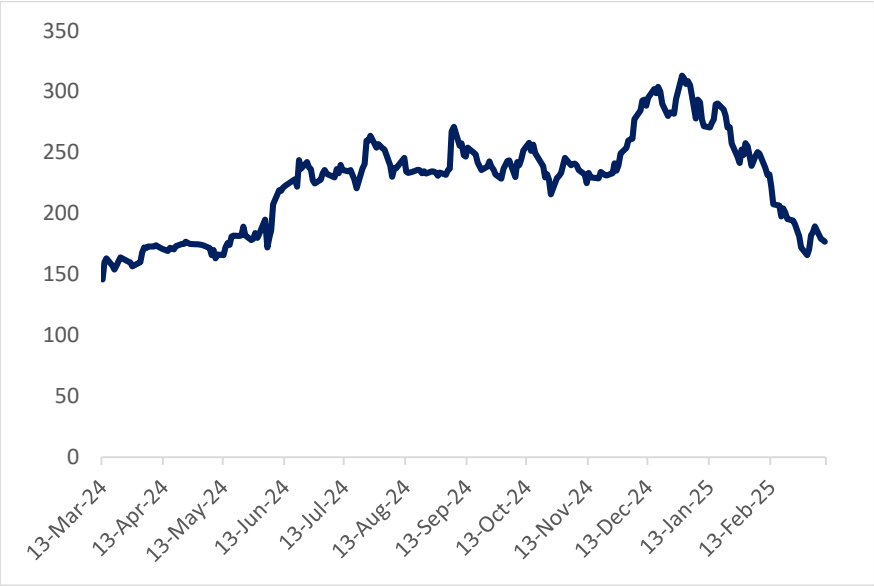
## Key Ratios

Particulars	FY23	FY24	FY25E	FY26E	FY27E
<b>Profitability Ratios (%)</b>					
EBITDA Margin	8.4	7.5	8.3	9.5	10.3
EBIT Margin	7.2	6.1	7.0	8.3	9.2
APAT Margin	5.0	3.5	2.2	3.9	5.2
RoE	10.5	7.5	4.3	8.2	11.3
RoCE	10.4	8.4	5.0	6.3	7.7
<b>Solvency Ratio (x)</b>					
Net Debt/EBITDA	1.9	2.5	2.4	1.9	1.6
Net D/E	0.2	0.2	0.0	0.0	-0.1
<b>PER SHARE DATA (Rs)</b>					
EPS	11.3	9.6	5.9	12.1	18.4
CEPS	14.0	13.3	9.3	15.8	22.1
BV	120.0	135.8	142.5	154.2	171.4
Dividend	1.5	1.5	1.5	1.5	2.0
<b>Turnover Ratios (days)</b>					
Debtor days	57	56	59	74	76
Inventory days	17	19	19	19	19
Creditors days	58	71	70	75	75
<b>VALUATION</b>					
P/E	15.2	18.0	29.1	14.2	9.4
P/BV	1.4	1.3	1.2	1.1	1.0
EV/EBITDA	10.6	10.0	7.7	5.8	4.5
EV / Revenues	0.9	0.7	0.6	0.6	0.5
Dividend Yield (%)	0.9	0.9	0.9	0.9	1.2
Dividend Payout (%)	13	16	25	12	11

(Source: Company, HDFC Sec)



One-year Price chart



(Source: Company, HDFC sec)

**HDFC Sec Retail Research Rating description**

**Green Rating stocks**

This rating is given to stocks that represent large and established business having track record of decades and good reputation in the industry. They are industry leaders or have significant market share. They have multiple streams of cash flows and/or strong balance sheet to withstand downturn in economic cycle. These stocks offer moderate returns and at the same time are unlikely to suffer severe drawdown in their stock prices. These stocks can be kept as a part of long term portfolio holding, if so desired. This stocks offer low risk and lower reward and are suitable for beginners. They offer stability to the portfolio.

**Yellow Rating stocks**

This rating is given to stocks that have strong balance sheet and are from relatively stable industries which are likely to remain relevant for long time and unlikely to be affected much by economic or technological disruptions. These stocks have emerged stronger over time but are yet to reach the level of green rating stocks. They offer medium risk, medium return opportunities. Some of these have the potential to attain green rating over time.

**Red Rating stocks**

This rating is given to emerging companies which are riskier than their established peers. Their share price tends to be volatile though they offer high growth potential. They are susceptible to severe downturn in their industry or in overall economy. Management of these companies need to prove their mettle in handling cyclicity of their business. If they are successful in navigating challenges, the market rewards their shareholders with handsome gains; otherwise their stock prices can take a severe beating. Overall these stocks offer high risk high return opportunities.

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