

KEC International

Estimate changes



TP change



Rating change

	KECI IN
Bloomberg Equity Shares (m)	266
M.Cap.(INRb)/(USDb)	129.8 / 1.3
52-Week Range (INR)	947 / 482
1, 6, 12 Rel. Per (%)	-13/-29/-34
12M Avg Val (INR M)	896

Financials Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Net Sales	235.1	271.5	314.4
EBITDA	16.6	19.0	22.1
PAT	6.6	7.5	9.3
EPS (INR)	25.0	28.3	34.8
GR. (%)	14.0	15.8	23.0
BV/Sh (INR)	231.4	252.2	279.0

Ratios

ROE (%)	11.5	11.7	13.1
RoCE (%)	11.7	11.3	12.0

Valuations

P/E (X)	19.9	17.2	14.0
P/BV (X)	2.1	1.9	1.7
EV/EBITDA (X)	10.6	9.4	8.5
Div Yield (%)	1.1	1.5	1.6

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	50.1	50.1	50.1
DII	26.9	25.5	24.2
FII	9.8	11.8	15.4
Others	13.2	12.7	10.3

FII Includes depository receipts

CMP: INR488

TP: INR630 (+29%)

Buy

Performance impacted by disruptions

KECI posted weak results in 4QFY26, affected by disruptions in supplies and dispatches due to the West Asia crisis, coupled with higher freight costs and RM prices. Order inflow for FY26 stood almost flat YoY at INR252b due to weakness in domestic T&D inflows, particularly after the PGCIL ban. Going ahead, we expect KEC to continue to ramp up execution across T&D and civil projects, while margin performance in the near term may remain impacted by labor issues and higher RM prices. We thus reduce our margin estimates and cut our EPS estimates by 19%/21% for FY27/28. We maintain BUY with a revised TP of INR630, based on 18x P/E Mar'28E earnings.

Weak set of results

KECI reported weaker-than-expected 4QFY26 performance, with revenue/EBITDA/PAT coming in below our estimates. Revenue declined 7% YoY to INR64b, while gross margin contracted 200bp YoY to 20.2%. Absolute EBITDA declined 17% YoY to INR4b, with EBITDA margin at 7%. Due to lower-than-expected execution, adjusted PAT declined 29% YoY to INR2b. Order inflow stood at INR60b during the quarter, taking the closing order book to INR363b, while OB plus L1 position stood at INR400b. For FY26, revenue/EBITDA/PAT increased 8%/10%/14% to INR235b/INR17b/INR7b, with EBITDA margin expanding 10bp YoY to 7.1%. However, cash flows remained weak, with OCF outflow at INR6b (vs. inflow of INR7b in FY25) due to higher NWC and FCF outflow at INR10b (vs. inflow of INR5b in FY25) owing to elevated capex.

Overall performance was impacted by geopolitical disruptions

KECI's 4QFY26 performance remained impacted by geopolitical disruptions in the Middle East, freight inflation, labor shortages and supply chain disruptions, which are expected to continue affecting near-term execution and profitability. Net working capital remained high at 137 days, while net debt stood at INR67b due to delayed collections, higher inventory amid delayed dispatches in Dubai and strategic inventory build-up in cables, raw materials and steel due to volatile prices. Receivables were also impacted by slower collections in the water business and delays from certain large clients. While near-term challenges persist, recovery in execution and collections remains critical for improvement in margins and working capital going forward.

Strong T&D momentum continues

T&D business delivered strong performance in FY26, with revenue rising 24% YoY to INR159b, driven by strong domestic and international execution. The company secured T&D order inflows of ~INR177b, including its largest-ever India T&D order worth over INR10b from a private client. The company also strengthened its HVDC presence with three orders from Adani and PGCIL and is currently executing five HVDC projects. Management highlighted increasing privatization in India's transmission sector through the TBCB route with

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private developers accounting for ~80% of TBCB awards during the year, helping KEC secure INR36b of orders from private players and SPVs. PGCIL's ban on KECI could be lifted by Aug'26/Sep'26 and order inflows are expected thereafter. Internationally, the company witnessed strong traction across the Middle East, Africa and CIS markets. The T&D order book and L1 position remained healthy at over INR250b, while the near-term T&D pipeline stood at ~INR700b over the next three months. On this base, we expect a CAGR of 12% in T&D order inflows and 15% in revenue over FY26-28E.

Weak execution continues in non-T&D businesses

Non-T&D revenue in FY26 declined 13% YoY to INR84b, impacted by slow execution across civil, railways, renewables and O&G, partly offset by strong growth in the cable business (+23% YoY to INR22b). The civil business secured over INR50b of orders, taking its order book and L1 position above INR100b, while management expects execution recovery in 2HFY27, supported by improving labor availability and ramp-up in delayed projects. Water execution remained calibrated due to delayed payments, although management expects collections to improve going forward. In railways, the company secured INR5.5b of orders in Kavach and railway siding projects and continues to focus on technology-led opportunities, while conventional railway EPC remains weak. KECI also entered the wind EPC segment with two 400MW projects, while the O&G business expanded into the GCC region amid rising energy security investments in West Asia. Overall, we expect non-T&D performance to remain subdued in the near term, with gradual recovery likely from 2HFY27 onward. We expect T&D/non-T&D mix to remain around 67%/33% by FY28.

Near-term margin pressure persists

FY26 EBITDA margin improved only 20bp YoY to 7.1%, impacted by lower margins in civil and urban infra but supported to some extent by T&D segment and improving profitability in cables. Management highlighted that ~50% of the order book has price variation clauses, while civil contracts largely have pass-through mechanisms for steel and cement costs. The company is also discussing freight cost reimbursements with clients, particularly in the Middle East, and indicated that the overall negative impact on margin is unlikely to exceed 100bp. Considering the near-term execution and cost pressure, we estimate EBITDA margins to remain largely stable at ~7% over FY27-28E.

Financial outlook and valuation

We cut our estimates by 18%/21% for FY27/28 to factor in lower revenue and margins. We expect a CAGR of 16%/15%/19% in revenue/EBITDA/PAT over FY26-28. This will be driven by 1) order inflow growth of 21% on a strong prospect pipeline; 2) stable EBITDA margin at ~7% for FY27E/28E; and 3) stable NWC. KECI is currently trading at 17.2x/14x on FY27E/28E EPS. We maintain BUY with a revised TP of INR630 (from INR750 earlier) based on 18x P/E Mar'28E earnings.

Key risks and concerns

A slowdown in order inflows, higher commodity prices, an increase in receivables and working capital, and heightened competition are some of the key risks that could potentially affect our estimates.

Consolidated - Quarterly Earning Model**(INR m)**

Y/E March - INR m	FY25				FY26				FY25	FY26	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	45,119	51,133	53,494	68,721	50,229	60,916	60,014	63,898	2,18,467	2,35,055	70,561	(9)
YoY Change (%)	6.3	13.7	6.8	11.5	11.3	19.1	12.2	(7.0)	9.7	7.6	2.7	
Total Expenditure	42,415	47,931	49,749	63,333	46,728	56,612	55,714	59,417	2,03,428	2,18,470	65,598	(9)
EBITDA	2,704	3,202	3,745	5,388	3,501	4,304	4,300	4,481	15,039	16,586	4,962	(10)
YoY Change (%)	10.6	16.7	21.6	38.9	29.5	34.4	14.8	(16.8)	23.8	10.3	(7.9)	
Margins (%)	6.0	6.3	7.0	7.8	7.0	7.1	7.2	7.0	6.9	7.1	7.0	
Depreciation	465	453	453	465	459	506	504	506	1,837	1,974	584	(13)
Interest	1,550	1,681	1,702	1,703	1,511	1,715	1,711	1,699	6,636	6,636	1,710	(1)
Other Income	431	66	9	202	54	46	102	301	709	503	203	48
PBT before EO expense	1,120	1,135	1,598	3,422	1,585	2,130	2,187	2,577	7,275	8,479	2,871	(10)
Extra-Ord expense							588	0		588	0	
PBT	1,120	1,135	1,598	3,422	1,585	2,130	1,599	2,577	7,275	7,891	2,871	(10)
Tax	245	281	303	740	339	522	325	649	1,568	1,836	788	
Rate (%)	21.8	24.7	18.9	21.6	21.4	24.5	20.3	25.2	21.5	23.3	27.4	
Reported PAT	876	854	1,296	2,682	1,246	1,608	1,275	1,928	5,707	6,056	2,084	(7)
Adj PAT	876	854	1,296	2,682	1,246	1,608	1,743	1,910	5,707	6,507	2,061	(7)
YoY Change (%)	106.9	53.1	33.7	76.7	42.3	88.2	34.5	(28.8)	64.6	14.0	(23.1)	
Margins (%)	1.9	1.7	2.4	3.9	2.5	2.6	2.9	3.0	2.6	2.8	2.9	

INR m	FY25				FY26				FY25	FY26	YoY (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
Segmental revenue											
T&D (domestic + SAE)	24,990	28,310	31,750	43,280	31,570	40,800	41,610	44,850	1,28,330	1,58,830	3.6
Cables	3,630	4,410	4,060	5,940	3,830	5,240	5,560	7,540	18,040	22,170	26.9
Railways	4,710	5,030	4,560	6,810	4,710	4,250	3,490	3,090	21,110	15,540	(54.6)
Civil	12,580	14,250	14,160	16,020	11,360	12,100	11,220	11,290	57,010	45,970	(29.5)
Less intersegmental	(790)	(870)	(1,040)	(3,330)	(1,240)	(1,470)	(1,870)	(2,880)	(6,030)	(7,460)	(13.5)
Grand total	45,120	51,130	53,490	68,720	50,230	60,920	60,010	63,890	2,18,460	2,35,050	(7.0)



Conference call highlights

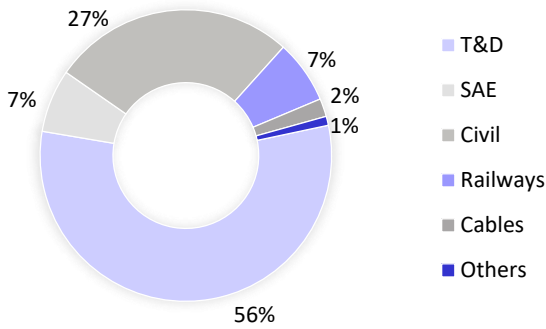
- **TAM:** The company highlighted a strong tender pipeline exceeding INR1.8t, particularly across the T&D and civil businesses. The company stated that the T&D outlook remains strong in India due to rising peak power demand, grid congestion, renewable integration and increasing investments in transmission lines, substations, green energy corridors and inter-regional connectivity, while international opportunities remain robust across the Middle East, Africa, CIS, SAARC and Americas.
- **T&D:** The T&D business secured order inflows of INR177b across India, the Middle East, the Americas, Africa and CIS during FY26. The company highlighted that the transition of intrastate transmission projects toward the TBCB route has led to increasing participation from utilities and private developers, with the share of new private players in TBCB projects rising to ~80% from ~45% last year. In line with this trend, KEC secured INR36b of orders from private players and SPVs during the year and stated that it remains well placed to secure further orders from private clients. The company also highlighted a T&D pipeline of ~INR700b over the next three months, broadly divided equally between India and international markets. The company also stated that capacity expansion initiatives at Dubai, Jaipur, Jabalpur and Brazil facilities are progressing well, while the Butibori expansion is expected to be completed during the current quarter. In addition, the company expanded its hardware manufacturing facilities in Brazil.
- **HVDC:** The company secured three HVDC orders from Adani and PGCIL and is currently executing five HVDC projects. The company also commissioned its first HVDC converter station project in Maharashtra for Adani and Hitachi. It indicated that one new HVDC line is at an advanced stage of ordering and around seven-eight HVDC projects are expected to come up over time.
- **Cables:** The cables and conductors business continues to witness steady order inflows for supply. The company also stated that elastomeric cables are slated to commence production in 2QFY27, followed by the commissioning of the E-Beam plant in the same quarter.
- **Civil:** The civil business has an order book plus L1 position of over INR100b and a tender pipeline of ~INR500b. KECI secured orders across semiconductors, hospitals, thermal power plants, metals & mining and residential & commercial real estate while expanding into underground metros, tunnels and pump storage projects.
- **Water:** Execution in the water business remained calibrated due to delayed payments, while collections under JJM remained broadly stable at ~INR0.5b-0.6b per month from Odisha and MP. The company stated that audits under the scheme have been completed and expects collections to improve over time.
- **Railways:** The railways business continues to focus selectively on technologically enabled areas, including Kavach, signaling, metro systems and tunnel ventilation. The company highlighted that it has implemented Kavach across 667 route KM and is currently executing deployments across an additional 1,780 route KM and over 3,000 locomotives.
- **Oil & Gas:** The business secured two orders in Africa and the Middle East during the year and entered the GCC region with a composite station works project.

The company also stated that geopolitical developments in West Asia are expected to accelerate investments in energy security and create additional opportunities in pipeline infrastructure.

- **Data centers:** The company stated that data center opportunities are witnessing increasing traction, with multiple announcements being made by corporates, including a large data center announcement in Andhra Pradesh. These projects are expected to gradually convert into orders going forward.
- **Labor shortage:** Management stated that labor availability remained a key challenge during FY26, impacted by LPG shortages and elections in certain states, which affected execution across civil and water projects. The company highlighted that labor availability has started improving and expects further normalization by end-May while focusing on mechanization, labor retention initiatives, skilling, and use of technologies such as automatic plastering machines, brick-laying robots and drones to reduce labor dependency.
- **Middle East crisis:** Management stated that ~27% of its overall order book and L1 position is from the Middle East, largely split between Saudi Arabia and the UAE. The company highlighted that project execution and tendering activity in the region continue largely unhindered despite geopolitical tensions, although supply chain disruptions, port congestion, shipment delays and higher freight costs impacted dispatches and execution during 4QFY26, resulting in an estimated revenue impact of ~INR3-4b, with some impact expected to continue in 1QFY27.
- **Guidance:** KEC guided for FY27 revenue growth of ~12-15% and order inflows of ~INR300b, including ~INR170-180b from T&D, ~INR80b from civil and the rest split between cable business, renewable and railways. The company also expects net debt reduction of ~INR10b during FY27 and working capital improvement toward ~110 days, while margin guidance has been withheld due to uncertainty related to logistics, freight and supply chain disruptions.

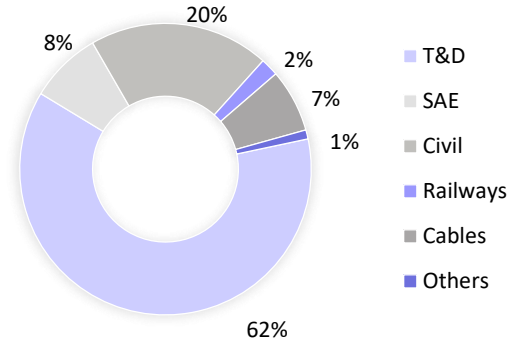
Key Exhibits

Exhibit 1: Segmental order book breakup of INR363b



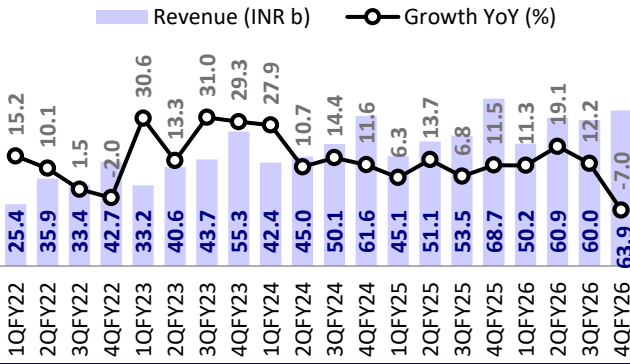
Source: MOFSL, Company

Exhibit 2: Segmental FY26 order inflow breakup of INR253b



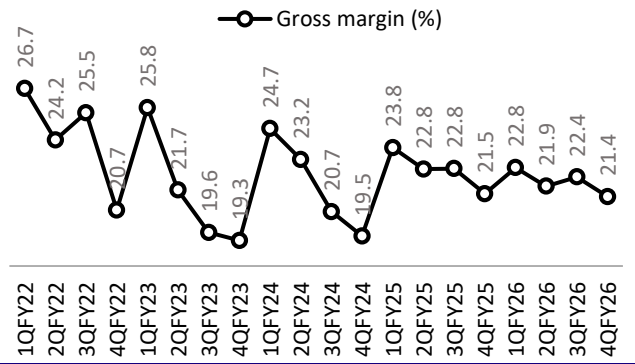
Source: MOFSL, Company

Exhibit 3: Revenue growth below expectations (INR b)



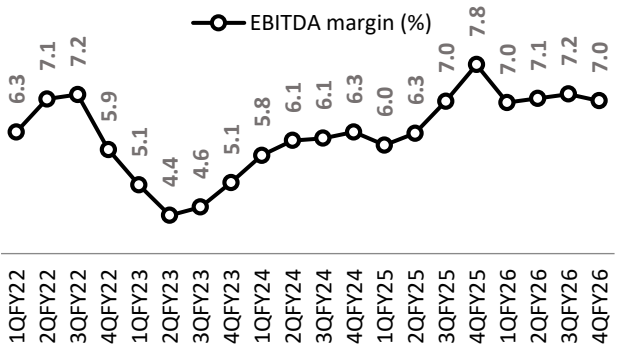
Source: MOFSL, Company

Exhibit 4: Gross margin trend has been patchy (%)



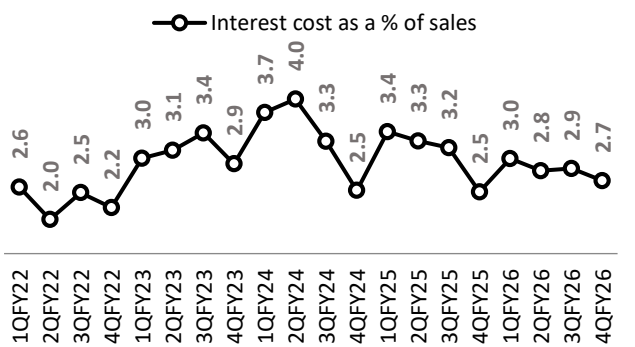
Source: MOFSL, Company

Exhibit 5: EBITDA margin contracted 80bp YoY (%)



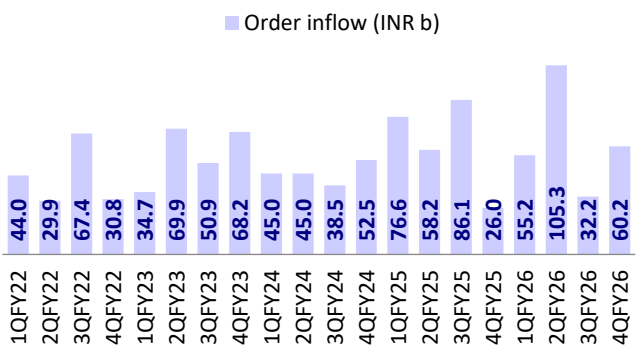
Source: MOFSL, Company

Exhibit 6: Interest cost-to-sales to ease gradually (%)



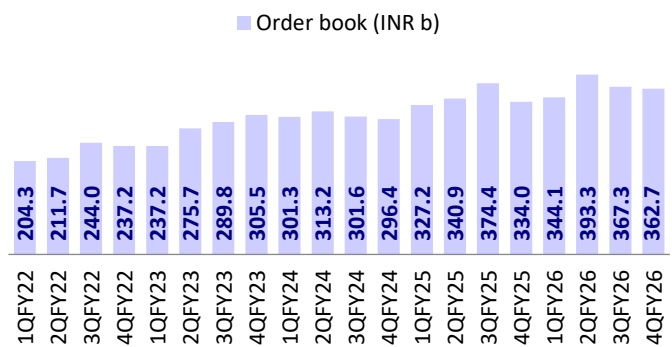
Source: MOFSL, Company

Exhibit 7: Order inflow increased 131% YoY (INR b)



Source: MOFSL, Company

Exhibit 8: OB increased 9% YoY (INR b)



Source: MOFSL, Company

Exhibit 9: We cut our estimates by 18%/21% for FY27/28 to factor in lower revenue and margins

(INR M)	FY27E			FY28E		
	Rev	Old	Chg (%)	New	Old	Chg (%)
Order inflow	3,01,398	3,50,242	(13.9)	3,69,781	4,12,866	(10.4)
Net Sales	2,71,548	2,82,542	(3.9)	3,14,403	3,28,872	(4.4)
EBITDA	19,040	20,999	(9.3)	22,084	24,685	(10.5)
EBITDA (%)	7.0	7.4	-42 bps	7.0	7.5	-48 bps
Adj. PAT	7,534	9,239	(18.5)	9,267	11,753	(21.2)
EPS (INR)	28.3	34.7	(18.5)	34.8	44.2	(21.2)

Source: MOFSL

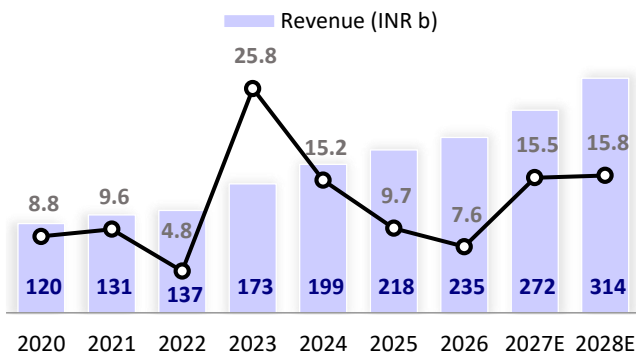
Exhibit 10: Segmental assumptions (INR m)

	2019	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
Transmission & distribution										
Order inflows	70,295	38,525	68,881	60,211	89,512	1,01,371	1,55,541	1,56,736	1,68,805	1,93,510
yoy growth (%)	-13.8	-45.2	78.8	-12.6	48.7	13.2	53.4	0.8	7.7	14.6
Revenues	65,906	66,360	64,910	60,050	74,851	90,080	1,15,080	1,40,820	1,63,727	1,85,817
yoy growth (%)	-3.0	0.7	-2.2	-7.5	24.6	20.3	27.8	22.4	16.3	13.5
Order backlog	1,15,461	1,00,465	1,05,100	1,06,722	1,28,322	1,45,256	1,77,009	2,03,095	2,08,173	2,15,866
Bill to book ratio (%)	47.4	49.3	48.1	44.4	49.4	50.3	51.6	55.1	56.9	60.9
Cables										
Order inflows	9,539	10,198	8,313	10,322	11,189	14,482	12,345	17,696	24,774	34,684
yoy growth (%)	-9.7	6.9	-18.5	24.2	8.4	29.4	10.0	43.4	40.0	40.0
Revenues	11,830	11,050	10,620	15,240	16,160	16,450	18,050	22,170	25,318	32,069
yoy growth (%)	17.2	-6.6	-3.9	43.5	6.0	1.8	9.7	22.8	14.2	26.7
Order backlog	3,741	6,151	1,911	2,372	3,055	5,929	6,680	7,253	6,710	9,326
Bill to book ratio (%)	91.0	79.3	73.4	124.6	119.2	93.8	98.8	91.0	98.0	98.0
Railways										
Order inflows	26,885	31,727	16,626	24,084	29,091	10,861	22,220	5,056	6,573	8,545
yoy growth (%)	-31.5	18.0	-47.6	44.9	20.8	-62.7	104.6	-77.2	30.0	30.0
Revenues	19,180	25,510	34,080	38,600	37,020	31,150	21,120	15,550	11,469	11,143
yoy growth (%)	127.3	33.0	33.6	13.3	-4.1	-15.9	-32.2	-26.4	-26.2	-2.8
Order backlog	48,698	61,509	45,862	37,946	39,719	32,608	36,738	25,387	20,490	17,892
Bill to book ratio (%)	34.9	39.5	48.8	66.7	70.5	69.0	48.3	39.6	40.0	45.0
Civil										
Order inflows	11,266	27,194	15,418	63,651	78,323	45,255	34,565	53,088	76,978	1,03,920
yoy growth (%)	148.7	141.4	-43.3	312.8	23.1	-42.2	-23.6	53.6	45.0	35.0
Revenues	5,950	3,760	12,810	21,440	38,310	54,390	56,990	45,970	56,015	69,788
yoy growth (%)	40.7	-36.8	240.7	67.4	78.7	42.0	4.8	-19.3	21.9	24.6
Order backlog	4,682	26,654	32,485	78,263	1,19,157	1,12,647	93,514	1,01,548	1,22,511	1,56,642
Bill to book ratio (%)	55.0	20.6	37.3	33.3	32.6	38.4	43.9	38.3	40.0	40.0
SAE										
Order inflows	10,526	5,666	9,501	13,762	15,665	9,051	22,220	20,224	24,269	29,123
YoY growth (%)	-30.3	-46.2	67.7	44.9	13.8	-42.2	145.5	-9.0	20.0	20.0
Revenues	9,655	15,390	11,460	8,840	13,240	14,470	13,250	18,000	23,638	25,564
YoY growth (%)	-5.8	59.4	-25.5	-22.9	49.8	9.3	-8.4	35.8	31.3	8.1
Order backlog	18,157	10,252	5,733	11,858	15,277	8,893	20,039	25,387	26,017	29,575
Bill to book ratio (%)	39.7	73.3	76.4	70.1	67.2	73.1	66.2	59.7	63.0	63.0
Total Order inflows	1,28,510	1,13,310	1,18,739	1,72,030	2,23,780	1,81,020	2,46,890	2,52,800	3,01,398	3,69,781
YoY growth (%)	-14.9	-11.8	4.8	44.9	30.1	-19.1	36.4	2.4	19.2	22.7
Revenues	1,10,005	1,19,654	1,31,142	1,37,423	1,72,817	1,99,130	2,18,460	2,35,050	2,71,548	3,14,403
YoY growth (%)	9.4	8.8	9.6	4.8	25.8	15.2	9.7	7.6	15.5	15.8
Total Order backlog	1,90,740	2,05,030	1,91,091	2,37,160	3,05,530	3,05,333	3,33,980	3,62,670	3,92,520	4,47,898
Bill to book ratio (%)	47.4	49.3	50.6	52.0	51.4	52.2	52.4	52.7	54.6	56.2

Source: Company, MOFSL

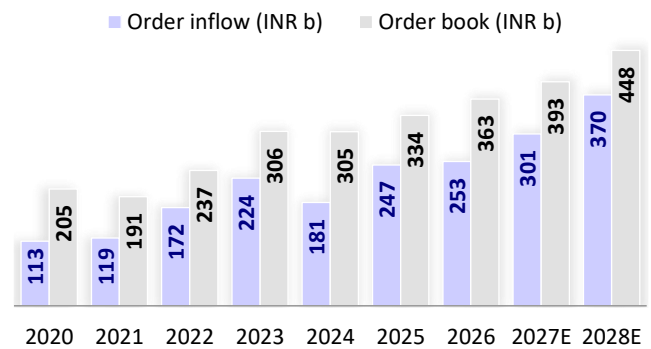
Financial outlook

Exhibit 11: We expect a 16% revenue CAGR over FY26-28, driven by strong order book



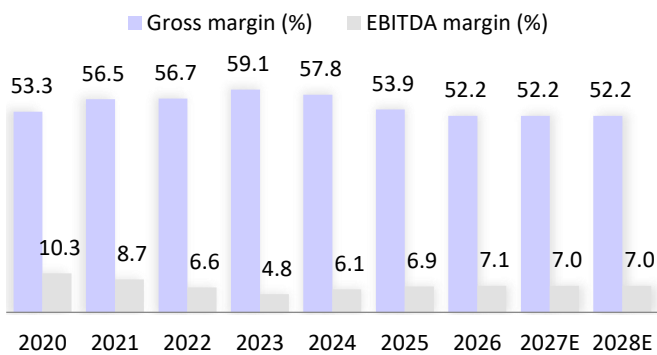
Source: Company, MOFSL

Exhibit 12: Order inflow and order book have started moving up since the beginning of FY25 (INR b)



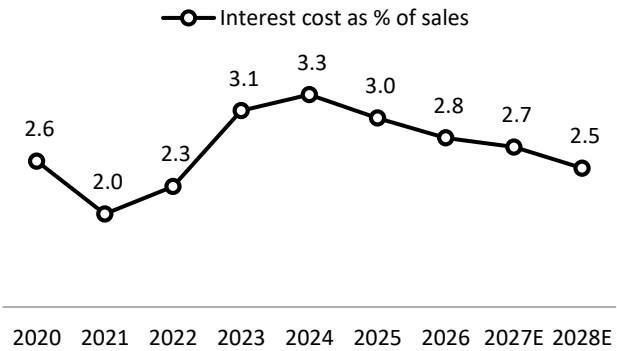
Source: Company, MOFSL

Exhibit 13: We expect margins to remain largely stable at 7% over FY27E-28E (%)



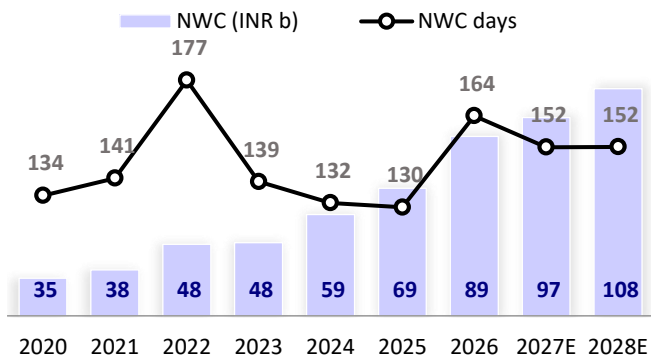
Source: Company, MOFSL

Exhibit 14: Interest costs as a % of sales to see a steady decline going forward (%)



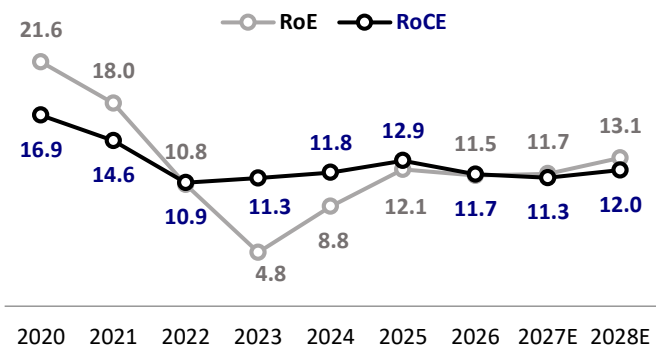
Source: Company, MOFSL

Exhibit 15: We expect NWC days to moderate from FY27 onwards, while net debt to remain high on strong growth



Source: Company, MOFSL

Exhibit 16: We expect return ratios to improve on better profitability (%)



Source: Company, MOFSL

Financials and valuation

Consolidated - Income Statement

	(INR M)							
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Total Income from Operations	1,31,142	1,37,423	1,72,817	1,99,142	2,18,467	2,35,055	2,71,548	3,14,403
Change (%)	9.6	4.8	25.8	15.2	9.7	7.6	15.5	15.8
Raw Materials	96,076	1,04,582	1,36,208	1,55,848	1,69,103	1,83,146	2,11,579	2,44,970
Gross Profit	35,065	32,840	36,609	43,294	49,364	51,910	59,969	69,433
Employees Cost	11,151	11,219	14,749	14,406	15,402	16,624	19,144	22,166
Other Expenses	12,503	12,587	13,562	16,742	18,923	18,700	21,785	25,184
Total Expenditure	1,19,730	1,28,388	1,64,520	1,86,996	2,03,428	2,18,470	2,52,508	2,92,319
% of Sales	91.3	93.4	95.2	93.9	93.1	92.9	93.0	93.0
EBITDA	11,412	9,034	8,297	12,146	15,039	16,586	19,040	22,084
Margin (%)	8.7	6.6	4.8	6.1	6.9	7.1	7.0	7.0
Depreciation	1,525	1,579	1,615	1,854	1,837	1,974	2,207	2,439
EBIT	9,886	7,456	6,683	10,292	13,202	14,612	16,834	19,645
Int. and Finance Charges	2,627	3,160	5,386	6,551	6,636	6,636	7,399	7,849
Other Income	299	134	313	524	709	503	286	161
PBT bef. EO Exp.	7,559	4,430	1,610	4,265	7,275	8,479	9,721	11,957
EO Items	0	-436	0	0	0	-588	0	0
PBT after EO Exp.	7,559	3,994	1,610	4,265	7,275	7,891	9,721	11,957
Total Tax	2,032	674	-151	797	1,568	1,836	2,187	2,690
Tax Rate (%)	26.9	16.9	-9.4	18.7	21.5	23.3	22.5	22.5
Reported PAT	5,527	3,320	1,761	3,468	5,707	6,056	7,534	9,267
Adjusted PAT	5,527	3,683	1,761	3,468	5,707	6,507	7,534	9,267
Change (%)	-2.3	-33.4	-52.2	97.0	64.6	14.0	15.8	23.0
Margin (%)	4.2	2.7	1.0	1.7	2.6	2.8	2.8	2.9

Consolidated - Balance Sheet

	(INR M)							
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	514	514	514	514	532	532	532	532
Total Reserves	33,083	35,685	37,200	40,443	52,942	61,065	66,602	73,739
Net Worth	33,597	36,199	37,714	40,957	53,475	61,597	67,134	74,272
Total Loans	18,434	28,627	31,945	38,123	37,011	51,032	54,032	59,532
Deferred Tax Liabilities	-68	-1,703	-3,273	-3,537	-4,372	-4,508	-4,508	-4,508
Capital Employed	51,963	63,123	66,386	75,544	86,114	1,08,121	1,16,659	1,29,296
Gross Block	22,307	24,933	26,430	28,550	30,118	33,084	36,494	40,416
Less: Accum. Deprn.	10,485	12,053	13,286	14,988	16,434	18,408	20,614	23,054
Net Fixed Assets	11,821	12,880	13,143	13,561	13,684	14,676	15,880	17,363
Goodwill on Consolidation	2,154	2,497	2,685	2,721	2,782	3,058	3,058	3,058
Capital WIP	179	25	115	139	385	1,137	1,137	1,137
Total Investments	11	126	0	0	0	0	0	0
Curr. Assets, Loans&Adv.	1,25,696	1,45,720	1,67,470	1,70,356	2,00,421	2,27,956	2,59,778	2,95,071
Inventory	8,422	10,665	11,372	12,133	11,405	15,327	17,855	21,534
Account Receivables	1,01,498	1,16,659	1,34,966	1,35,133	1,63,095	1,86,332	2,15,260	2,49,233
Cash and Bank Balance	2,492	2,619	3,442	2,733	6,559	5,119	4,426	956
Loans and Advances	13,284	15,777	17,691	20,357	19,362	21,178	22,236	23,348
Curr. Liability & Prov.	87,897	98,125	1,17,027	1,11,234	1,31,158	1,38,705	1,63,193	1,87,332
Other Current Liabilities	87,107	97,109	1,15,841	1,10,037	1,29,953	1,36,855	1,60,961	1,84,747
Provisions	790	1,015	1,186	1,197	1,206	1,850	2,232	2,584
Net Current Assets	37,799	47,596	50,443	59,122	69,263	89,251	96,585	1,07,739
Appl. of Funds	51,963	63,123	66,386	75,544	86,114	1,08,122	1,16,659	1,29,296

Financials and valuation

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)								
EPS	20.8	13.8	6.6	13.0	21.4	24.4	28.3	34.8
Cash EPS	26.5	19.8	12.7	20.0	28.3	31.9	36.6	44.0
BV/Share	126.2	136.0	141.7	153.9	200.9	231.4	252.2	279.0
DPS	4.0	4.0	3.0	4.0	5.5	5.5	7.5	8.0
Payout (%)	23.2	32.1	45.4	30.7	25.7	24.2	26.5	23.0
Valuation (x)								
P/E	23.5	35.2	73.7	37.4	22.7	19.9	17.2	14.0
Cash P/E	18.4	24.7	38.5	24.4	17.2	15.3	13.3	11.1
P/BV	3.9	3.6	3.4	3.2	2.4	2.1	1.9	1.7
EV/Sales	1.1	1.1	0.9	0.8	0.7	0.7	0.7	0.6
EV/EBITDA	12.8	17.2	19.1	13.6	10.7	10.6	9.4	8.5
Dividend Yield (%)	0.8	0.8	0.6	0.8	1.1	1.1	1.5	1.6
FCF per share	20.1	-21.2	11.3	-0.4	17.9	-38.7	21.4	3.8
Return Ratios (%)								
RoE	18.0	10.6	4.8	8.8	12.1	11.3	11.7	13.1
RoCE	14.8	10.8	11.4	11.8	12.9	11.4	11.3	12.0
RoIC	15.1	11.3	11.9	12.4	13.6	12.4	12.3	12.8
Working Capital Ratios								
Fixed Asset Turnover (x)	5.9	5.5	6.5	7.0	7.3	7.1	7.4	7.8
Asset Turnover (x)	2.5	2.2	2.6	2.6	2.5	2.2	2.3	2.4
Inventory (Days)	23	28	24	22	19	24	24	25
Debtor (Days)	282	310	285	248	272	289	289	289
Leverage Ratio (x)								
Current Ratio	1.4	1.5	1.4	1.5	1.5	1.6	1.6	1.6
Interest Cover Ratio	3.8	2.4	1.2	1.6	2.0	2.2	2.3	2.5
Net Debt/Equity	0.5	0.7	0.8	0.9	0.6	0.7	0.7	0.8

Consolidated - Cash Flow Statement

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	7,559	4,430	1,610	4,265	7,275	8,479	9,721	11,957
Depreciation	1,525	1,579	1,615	1,854	1,837	1,974	2,207	2,439
Interest & Finance Charges	2,627	3,160	5,386	6,551	6,636	6,636	7,399	7,849
Direct Taxes Paid	-2,032	-674	151	-797	-1,568	-1,836	-2,187	-2,690
(Inc)/Dec in WC	-2,405	-9,669	-2,026	-9,387	-6,315	-21,428	-8,027	-14,625
CF from Operations	7,274	-1,174	6,736	2,486	7,866	-6,175	9,112	4,930
Others	-595	-1,636	-1,569	-264	-835	-136	0	0
CF from Operating incl EO	6,679	-2,809	5,166	2,222	7,031	-6,311	9,112	4,930
(Inc)/Dec in FA	-1,322	-2,826	-2,156	-2,333	-2,266	-3,993	-3,411	-3,922
Free Cash Flow	5,357	-5,635	3,010	-111	4,764	-10,304	5,702	1,008
(Pur)/Sale of Investments	214	-116	126	0	0	0	0	0
CF from Investments	-1,107	-2,942	-2,030	-2,333	-2,266	-3,993	-3,411	-3,922
Issue of Shares	1,378	347	553	840	8,274	3,531	0	0
Inc/(Dec) in Debt	-2,184	10,193	3,317	6,179	-1,112	14,021	3,000	5,500
Interest Paid	-2,627	-3,160	-5,386	-6,551	-6,636	-6,636	-7,399	-7,849
Dividend Paid	-1,284	-1,065	-799	-1,065	-1,464	-1,464	-1,997	-2,130
CF from Fin. Activity	-4,716	6,315	-2,314	-598	-938	9,452	-6,395	-4,479
Inc/Dec of Cash	855	564	822	-709	3,826	-852	-693	-3,470
Opening Balance	1,637	2,492	2,619	3,442	2,733	6,559	5,119	4,426
Other Bank Balances		-436				-588		
Closing Balance	2,492	2,619	3,442	2,733	6,559	5,119	4,426	956

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Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.