

KEC International

BSE Sensex
76,010

S&P CNX
23,914



| | |
|-----------------------|-------------|
| Bloomberg | KECI IN |
| Equity Shares (m) | 266 |
| M.Cap.(INRb)/(USDb) | 132.9 / 1.4 |
| 52-Week Range (INR) | 947 / 466 |
| 1, 6, 12 Rel. Per (%) | -13/-20/-38 |
| 12M Avg Val (INR M) | 896 |

Financial Snapshot

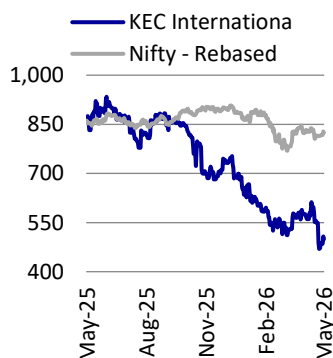
| Y/E MARCH | FY26 | FY27E | FY28E |
|-------------------|-------|-------|-------|
| Net Sales | 235.1 | 271.5 | 314.4 |
| EBITDA | 16.6 | 19.0 | 22.1 |
| PAT | 6.6 | 7.5 | 9.3 |
| EPS (INR) | 25.0 | 28.3 | 34.8 |
| GR. (%) | 14.0 | 15.8 | 23.0 |
| BV/Sh (INR) | 231.4 | 252.2 | 279.0 |
| Ratios | | | |
| ROE (%) | 11.5 | 11.7 | 13.1 |
| RoCE (%) | 11.7 | 11.3 | 12.0 |
| Valuations | | | |
| P/E (X) | 20.4 | 17.6 | 14.3 |
| P/BV (X) | 2.2 | 2.0 | 1.8 |
| EV/EBITDA (X) | 10.8 | 9.6 | 8.7 |
| 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

Stock performance (one-year)



CMP: INR499

TP: INR630 (+26%)

Buy

Strong demand; margins the key monitorable

KEC's management in its analyst meet highlighted a strong opportunity pipeline across transmission projects, both domestically and internationally. The company's projects in the West Asia region are progressing well currently, and it has seen improved inquiries on reconstruction-led demand from the Middle East post-war. Demand is also strong for towers in the US market, catering to data centers. The company also highlighted that ordering is improving from private sector projects too, with better payment terms, and the civil segment is now witnessing demand recovery. However, in light of the current West Asia crisis, uncertainty pertains to margins as overall costs have increased related to RM, freight costs, etc. The labor shortage, too, will also need to be monitored closely for its impact on execution progress. We maintain our estimates and reiterate our BUY rating with an unchanged TP of INR630.

Key takeaways from the analyst meet

Strong T&D demand across domestic and international markets

KECI's T&D business witnessed growth in the order intake from INR74b in FY22 to INR253b in FY26, while FY27 order intake is expected at ~INR300b, supported by a strong tender pipeline of ~INR1.8t. Domestic demand remains strong, driven by renewable energy expansion, grid strengthening, and rising transmission investments, supported by India's 900GW renewable energy target by 2035. Management highlighted a pipeline of seven to eight HVDC projects, with at least two likely to be tendered in FY27. Internationally, opportunities remain strong across the Middle East, Africa, CIS, and the US, with rising inquiries for transmission projects, redundancies, and rehabilitation work. In the US, KECI is witnessing strong traction for 765kV tower supply projects, driven by data center expansion. Management highlighted that the T&D business continues to generate an RoCE of 20-25% with an EBITDA margin of ~10-12%, supported by better payment terms, healthy private sector demand, and a favorable competitive environment.

Non-T&D outlook remains mixed across segments

KECI's cables and conductors business continues to witness strong momentum, with management expecting ~20% growth in FY27, supported by capacity expansion in conductors, PV, and elastomeric cables, and improving margins towards the 8.0-8.5% level. Cable exports currently contribute ~5-6% of revenue and are expected to improve after receiving US approvals, while ~INR10b of cable and conductor output is internally consumed by KECI projects. The renewables business is witnessing healthy traction, with the company increasingly focusing on wind EPC projects amid intense competition in solar. In civil, the company has an order book plus L1 position of over INR100b, while completion of key metro projects is expected to ease margin and cash flow pressures, alongside increasing opportunities in industrial, metals & mining, and data center projects. Management remains cautious on the railways business, with FY27 revenue likely to remain ~INR15b, while focusing on faster closure of existing projects and selective opportunities in signalling and allied areas.

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Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Commodity and labor pressures persist on margins

KECI's EPC margins are likely to remain a key monitorable, and overall costs have increased, such as RM costs, freight costs, insurance costs, etc., with nearly 50% of the order book coming in from fixed-price contracts. We see risks to overall margins if these costs are not passed through to the end users. Commodity inflation and elevated metal prices remain a challenge, particularly in fixed-price contracts. Supply chain disruptions in West Asia impacted revenues by ~INR4b due to delays in steel movement and equipment supplies. Labor shortages, too, will also need to be worked out, as labor supply was hit by the ongoing elections in a few states. The company is focusing on mechanization, automation, and faster execution to reduce dependence on labor. We currently maintain our EBITDA margin estimate of ~7% for FY27E/28E and will evaluate after we see a solution to the West Asia crisis.

Capital allocation strategy

Management highlighted an increasing focus on capital allocation and improving project quality, with selective bidding, better payment terms, and faster project execution becoming key priorities. The company has reduced exposure to the railways business from a peak revenue run rate of ~INR40b to ~INR15b, while increasing focus on higher-return businesses such as T&D, cables, and renewables. KECI is also targeting lower working capital intensity through faster project churn, improved retention terms, and tighter client selection, particularly in international markets. Capital expenditure continues to remain focused on the cables and conductors business, with annual investments of ~INR1b towards capacity expansion in conductors, PV, and elastomeric cables.

Financial outlook

We maintain our estimates, and 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.

Valuation and view

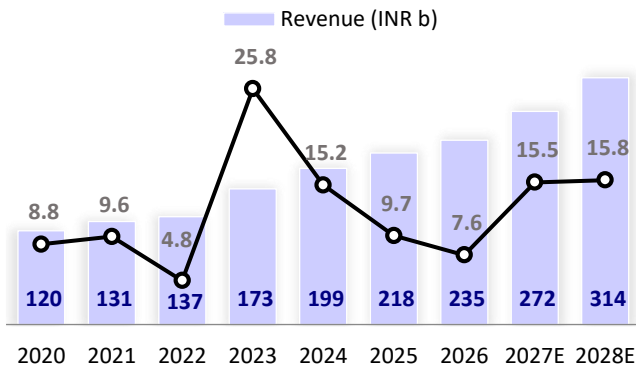
KECI is currently trading at 17.6x/14.3x on FY27E/28E EPS. We maintain BUY with an unchanged TP of INR630 based on 18x P/E Mar'28E earnings.

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.

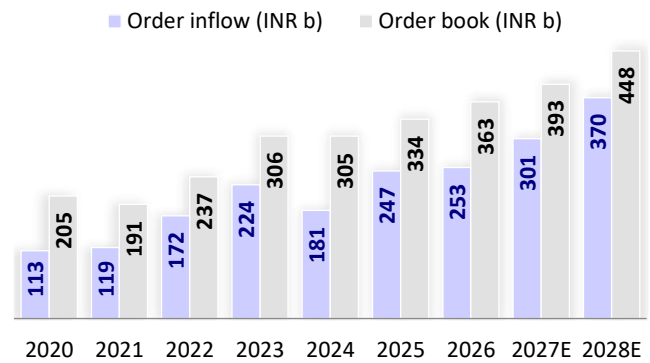
Key Exhibits

Exhibit 1: We expect a 16% revenue CAGR over FY26-28, driven by a strong order book



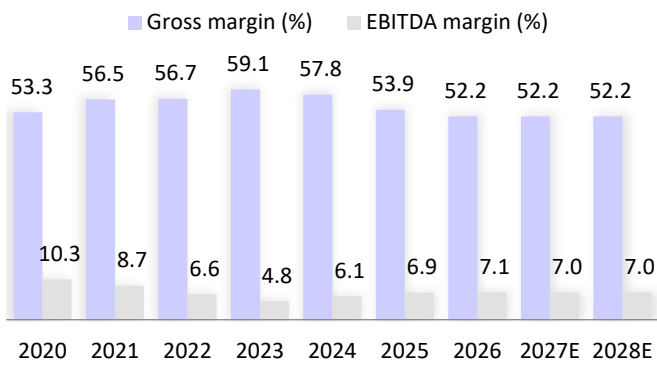
Source: Company, MOFSL

Exhibit 2: Order inflow and order book have started moving up since the beginning of FY25 (INR b)



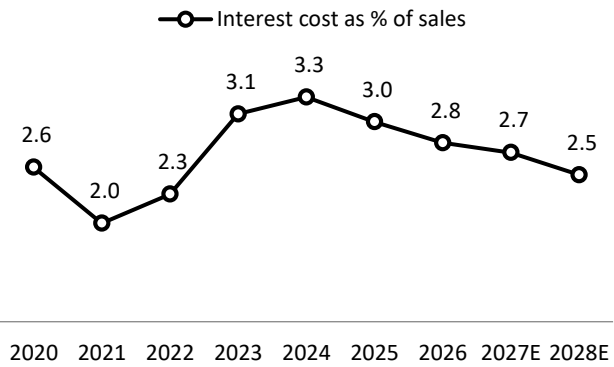
Source: Company, MOFSL

Exhibit 3: We expect margins to remain largely stable at 7% over FY27E-28 (%)



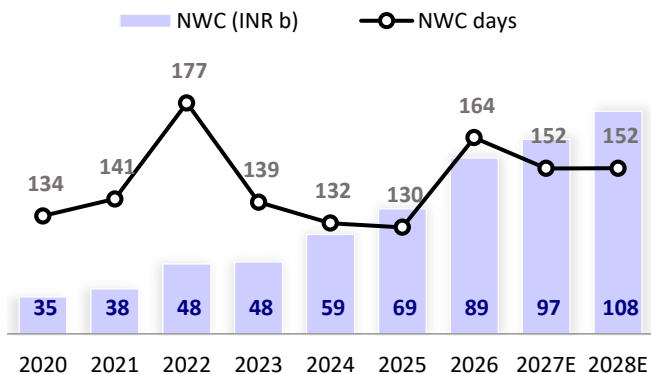
Source: Company, MOFSL

Exhibit 4: Interest costs as a % of sales to see a steady decline going forward (%)



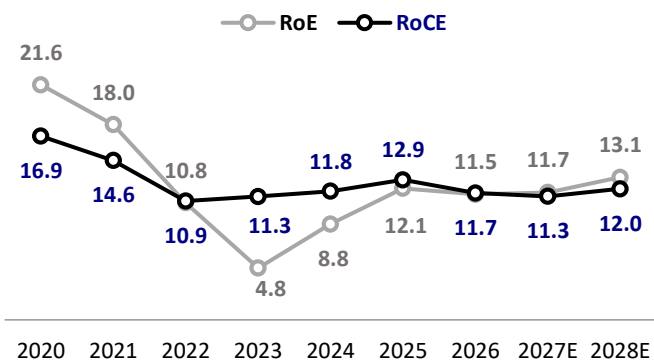
Source: Company, MOFSL

Exhibit 5: We expect NWC days to moderate from FY27, while net debt to remain high on strong growth



Source: Company, MOFSL

Exhibit 6: We expect return ratios to improve on better profitability (%)



Source: Company, MOFSL

Exhibit 1: 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

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 | 24.0 | 36.1 | 75.5 | 38.3 | 23.3 | 20.4 | 17.6 | 14.3 |
| Cash P/E | 18.8 | 25.3 | 39.4 | 25.0 | 17.6 | 15.7 | 13.6 | 11.4 |
| P/BV | 4.0 | 3.7 | 3.5 | 3.2 | 2.5 | 2.2 | 2.0 | 1.8 |
| EV/Sales | 1.1 | 1.2 | 0.9 | 0.8 | 0.7 | 0.8 | 0.7 | 0.6 |
| EV/EBITDA | 13.0 | 17.6 | 19.4 | 13.9 | 10.9 | 10.8 | 9.6 | 8.7 |
| 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

(INR M)

| 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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| Explanation of Investment Rating | |
|----------------------------------|--|
| Investment Rating | Expected return (over 12-month) |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

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