



KEY HIGHLIGHTS

1. RESULTS OVERVIEW:

- Company has an order book of Rs.17380 (as on 31st Dec 2023) indicating revenue visibility for the next 2-2.5 years.
- The company reported revenue of Rs.1803 cr (up 11% YoY) and EBITDA of Rs.239 cr (up 15% YoY). It recorded an APAT of Rs.151 cr (up 17% YoY).
- The company posted an EBITDA margin of 13.3% in Q3FY24, compared to 12.8% in Q3FY23. APAT margin was 8.4% vs. 7.9% in Q3FY23.

2. MANAGEMENT COMMENTARY:

- With a strong bid pipeline of over Rs 1.90 Lc Cr, the management expects an order inflow of Rs 8,000 Cr in FY24 and Rs 12000 Cr in FY25. Awarding activity of road projects was slow till now but is expected to improve in Q4FY24 and be swift in FY25.
- On guidance front, PNC gives Revenue growth guidance of 10% for FY24, growth was subdued due to prolonged monsoon period in Q2FY24, for FY25E company is expecting similar growth in terms of Revenue. Also company is expecting EBITDA margins to range between 13-13.5%.
- Capex:** The company spent Rs 35 Cr on Capex in 9MFY24. Capex is expected to be in the range of Rs 50-60 Cr in FY24.

3. PRICE PERFORMANCE (%)

| Particulars | 3 M | 1 Y |
|-------------------|--------|--------|
| PNC Infratech Ltd | 20.80% | 21.88% |
| Nifty 50 | 10.66% | 20.03% |
| Nifty 500 | 12.36% | 25.76% |

4. CONCALL SUMMARY:

- Order book:** The current executable order book is Rs 17,380 Cr out of which Rs 4,811 Cr is from Road projects, Rs 5,284 Cr is from Water projects and the balance from other projects. The contract under execution is over Rs 17,380 Cr (including a contract worth Rs 5,586 Cr of 5 new HAM projects received recently).
- HAM Portfolio:** In Q3FY24, the company received PCOD for 2 HAM projects in the state of UP, achieved financial closure of 4 HAM projects and LOA for 1 HAM project in Madhya Pradesh. The company has 23 HAM projects of approximately Rs 30,000 Cr, which is the largest portfolio of HAM highway projects in the country. At present company has a portfolio of 23 HAM projects, out of which 9 are operational, 9 projects are under construction, 3 projects completed financial closure, 1 where AD is received and the balance 1 where LOA has been received.
- Equity Investments in Subsidiaries:** The equity invested upto date is Rs 1,881 Cr. The balance equity required for HAM projects is Rs 1,062 Cr which would be Rs 118 Cr in Q4FY24, Rs 450 Cr in FY25, Rs 360 Cr in FY26 and balance in FY27. The entire equity investment would be met through internal accruals.
- Vivad se Vishwas Scheme :** Under the scheme the company aims to receive Rs.766 cr from the authority for three projects accepted. The management indicated that 50% of the amount is expected in FY24 and balance 50% in FY25. The normal tax rate of 25% will be levied on the same.
- Jal Jivan Mission:** In Q3FY24, the company booked revenue of Rs 533 Cr from JJM projects. It expects over Rs 2,000 Cr of revenue from water projects in FY24 and Rs 3000 Cr in FY25. The company aims to bid for JJM projects in MP, Rajasthan and CG.
- Working capital days:** The company's working capital days stood at 73 days in Q3FY24, compared to 79 days in Q2FY24.

5. VALUATION AND OUTLOOK:

- Project awarding has been soft to date but expected to accelerate as indicated by the Ministry of Road Transport before the model code of conduct is implemented.
- The road sector is expected to witness heightened investment as the government increases investment in infrastructure as envisaged in the Interim budget 2024-25.
- The company is also looking to bid for water projects in states apart from UP.
- Overall company looks strong given the strong and diversified order book, efficient execution, asset monetization plan, and lean balance sheet as well as potential uptick in demand from infrastructure segment.
- We initiate BUY rating on stock and value the stock at 11.34x FY25 earnings to arrive at the target of Rs.510.0**

RECOMMENDATION – BUY
CMP –425
TARGET – 510 (20%)

| Industry | Engineering – Construction |
|----------------------------|----------------------------|
| NSE CODE | PNCINFRA |
| BSE CODE | 539150 |
| Market Cap (₹ Cr) | 10903 |
| Shares outstanding (in Cr) | 25.65 |
| 52 wk High/Low (₹) | 475/261 |
| P/E | 16.6 |
| P/BV | 2.34 |
| Face Value (₹) | 2.00 |
| Book Value (₹) | 180.00 |
| EPS (₹) | 25.67 |
| Dividend Yield (%) | 0.17 |
| Debt / Equity | 1.54 |
| Interest coverage | 2.57 |

SHAREHOLDING PATTERN

| | Dec 23 | Sep 23 | June 23 |
|-------------------|--------|--------|---------|
| Promoters | 56.07 | 56.07 | 56.07 |
| FIIs | 10.98 | 10.78 | 10.26 |
| DIIIs | 27.24 | 28.10 | 28.50 |
| Public | 5.72 | 5.06 | 5.18 |
| Promoter Pledging | 0.00 | 0.00 | 0.00 |

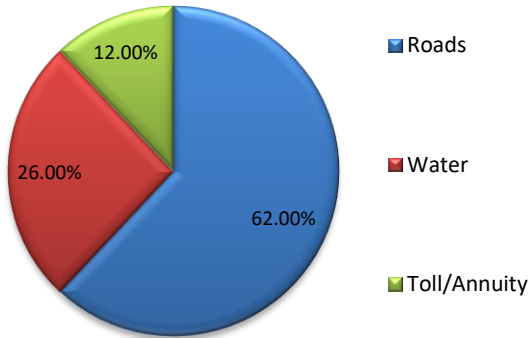
FINANCIAL SNAPSHOT (₹ Cr)

| Y/E March | 2023A | 2024E | 2025E |
|------------------|--------|-------|--------|
| Core | | | |
| Sales | 7956.1 | 8831 | 9714 |
| Sales Gr. (%) | 10.4 | 11 | 10 |
| EBITDA | 1599.8 | 2013 | 2428.6 |
| EBITDA mrg. (%) | 21.1 | 23 | 25 |
| PAT | 658.5 | 846.9 | 1150.9 |
| EPS (₹) | 25.7 | 33.1 | 44.96 |
| EPS Gr. (%) | 13.5 | 29 | 36 |
| Ratios | | | |
| RoE (%) | 16.6 | 16.2 | 15.2 |
| RoCE (%) | 15.1 | 18.5 | 17.5 |
| Valuation | | | |
| P/E (x) | 11.3 | 10.5 | 11.34 |
| Net Debt/ equity | 1.46 | 1.12 | 1.05 |

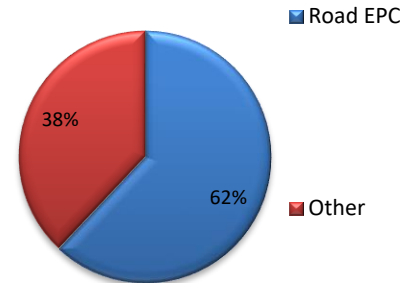
| Particulars | TTM | 5 Yr Avg |
|------------------|------|----------|
| Historical P/E : | 15.7 | 10.31 |
| Industry P/E : | 40.4 | |
| Historical P/B : | 2.15 | 1.7 |
| Industry P/B : | 4.7 | |

REVENUE SPLIT (%) Q3 FY24

Segment-wise revenue Mix (in %)



Order Book Mix (%)



QUARTERLY PERFORMANCE (CONSOLIDATED)

(₹ Cr)

| Y/E March | FY22 | | FY23 | | | | FY24 | | | | FY23 | FY24E* |
|----------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|---------------|--------|
| | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE* | | | |
| Net sales | 2226 | 2,053 | 1,795 | 1,803 | 2,305 | 2,092 | 1,911 | 2,047 | 2781 | 7956 | 8831 | |
| YoY change (%) | 19.40 | 40.37 | -0.15 | 4.73 | 3.54 | 1.89 | 6.48 | 13.50 | 20.65 | 10.38 | 11 | |
| Total Expenditure | 1746 | 1,535 | 1,469 | 1,459 | 1,894 | 1,655 | 1,512 | 1614 | 2019 | 6356 | 6800 | |
| EBITDA | 480 | 518 | 326 | 345 | 411 | 436 | 400 | 432 | 762 | 1600 | 2013.2 | |
| Margins (%) | 22% | 25% | 18% | 19% | 18% | 21% | 21% | 21% | 27% | 20 | 23 | |
| Depreciation | 79 | 104 | 48 | 44 | 57 | 48 | 41 | 44 | 132 | 253 | 265 | |
| Interest | 112 | 107 | 108 | 122 | 133 | 147 | 161 | 169 | 235 | 470 | 712 | |
| Other income | 21 | 13 | 24 | 20 | 24 | 20 | 21 | 17 | 17 | 81 | 75 | |
| PBT | 309 | 321 | 194 | 198 | 244 | 262 | 219 | 235 | 413 | 957 | 1129.2 | |
| Tax | 51 | 80 | 62 | 59 | 98 | 81 | 71 | 50 | 80.3 | 299 | 282.3 | |
| Rate (%) | 17% | 25% | 32% | 30% | 40% | 31% | 32% | 21% | 19% | 31 | 25 | |
| Adjusted PAT | 258 | 241 | 132 | 140 | 146 | 181 | 148 | 185 | 332.7 | 658 | 846.9 | |
| YoY change (%) | 69.37 | 113.24 | 0.05 | 79.56 | -43.36 | -24.95 | 11.95 | 32.4 | 127.8 | 13.45 | 29 | |
| Key Performance Indicator | | | | | | | | | | | | |
| RM Cost (% of Sales) | 57% | 63% | 70% | 66% | 70% | 67% | 66% | 66% | - | 42.1 | - | |
| Staff Cost (% of Sales) | 4% | 4% | 5% | 7% | 4% | 4% | 5% | 5% | - | 4.7 | - | |
| Other Costs (% of Sales) | 39% | 33% | 25% | 27% | 26% | 29% | 29% | 29% | - | 53.2 | - | |
| EBITDA Margin (%) | 22 | 25 | 18 | 19 | 18 | 21 | 21 | 21 | 27 | 20 | 23.00 | |
| PAT Margin (%) | 12 | 12 | 7 | 8 | 6 | 9 | 8 | 9 | 11.96 | 8.27 | 10 | |

Source: Company, Hem Securities Research.

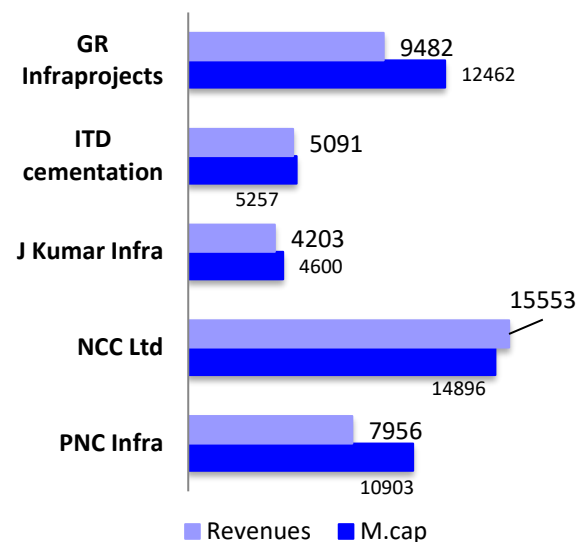
*Insights into the assumptions:

- 1> Expected to see sharp growth in FY24 on the back of Owning to the improving demand dynamics and a strong sales performance in FY23.
- 2> We expect EBITDA and PAT margins to improve in line with dedicated cost cutting efforts by the company.

INDUSTRY OVERVIEW

- The road sector is expected to witness heightened investment as the government increases investment in infrastructure as envisaged in the Interim budget 2024-25.
- As per reports, the government would allocate Rs. 2.7 lakh crore for Highways in FY24 as against revised allocation of Rs.2.17 lakh crores in FY23, rise of 24% YoY.
- In water sector also, the Jal Shakti Ministry has been allocated Rs.97,278 Cr in the Union Budget 2023-24, as against Rs.69,052 Cr YoY, a growth of 41%. In FY 2023-24 under the Jal Jeevan Mission (JJM), Rs.69,684 Cr have been allocated to provide Functional Household Tap Connections (FHTC) to 3.8 Cr households.
- Under the National Infrastructure Pipeline (NIP), projects worth ` 108 trillion (US\$ 1.3 trillion) are currently at different stages of implementation. This comprehensive pipeline underscores the Government's vision for infrastructure development and presents significant opportunities for companies like NCC to contribute to the nation's growth.
- Under the Budget for 2023-24, the capital investment outlay for infrastructure is being increased by 33% to ` 10 lakh crore (US\$ 122 billion). This substantial increase, amounting to 3.3% of GDP and almost three times the outlay in 2019-20, demonstrates the Government's commitment to accelerating infrastructure development in the country.

KEY PLAYERS



PEER PERFORMANCE

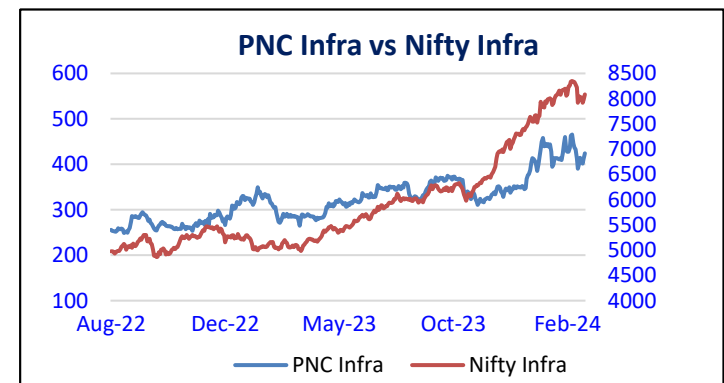
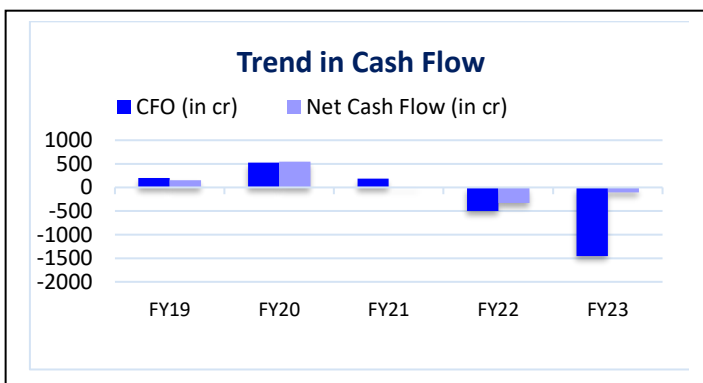
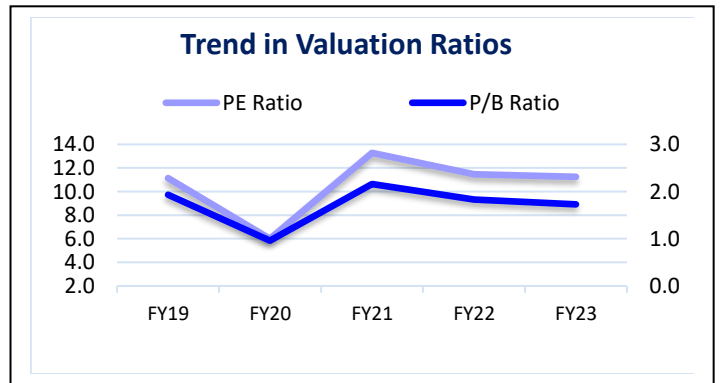
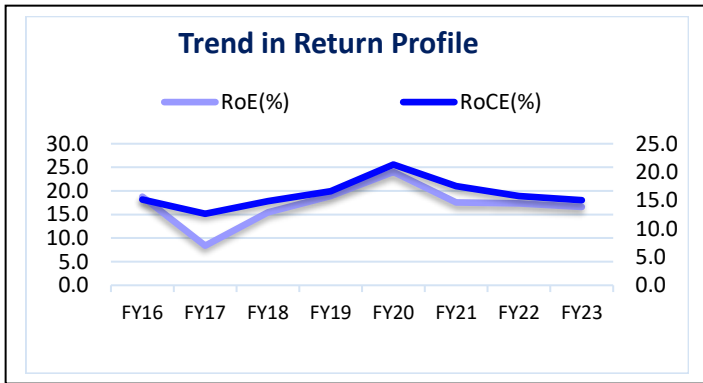
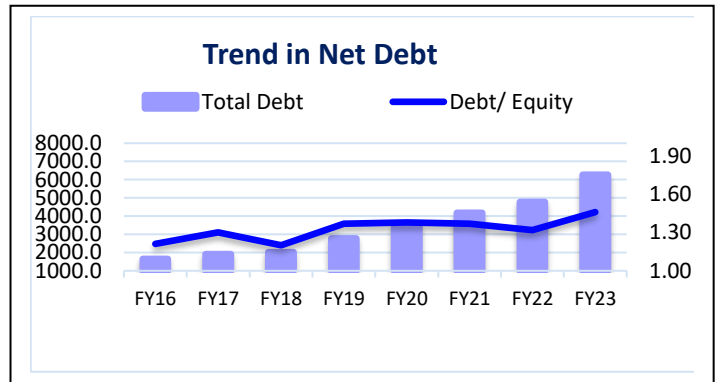
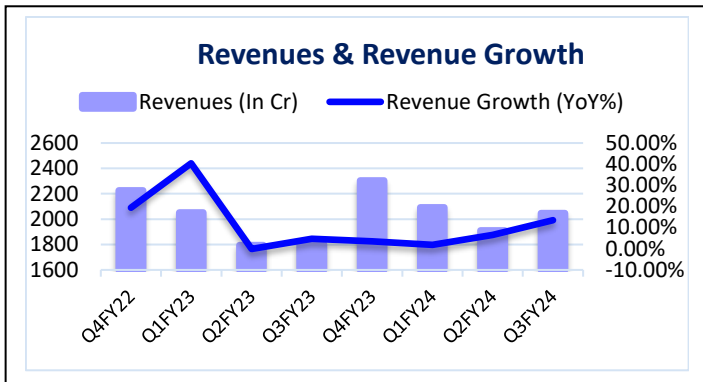
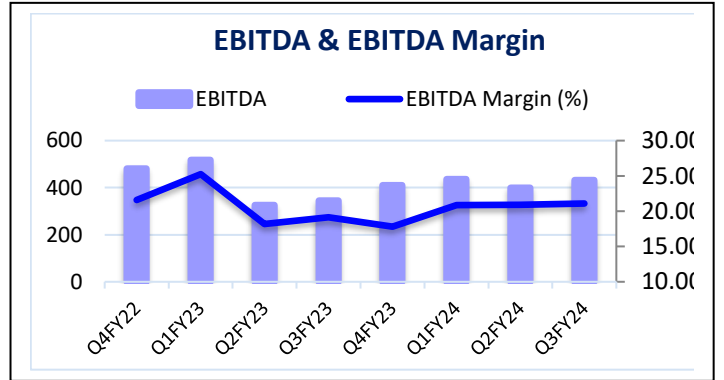
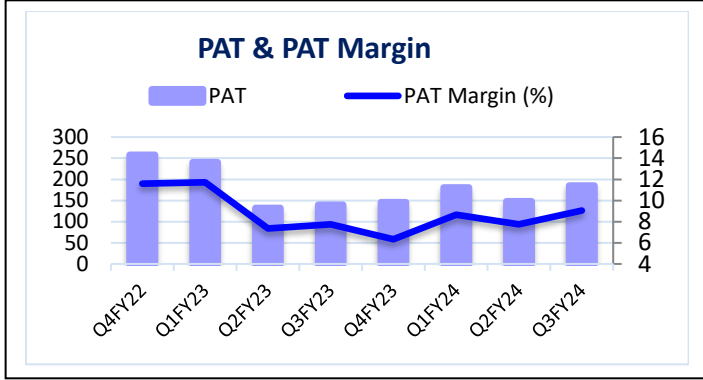
(₹ Cr)

| Particulars | PNC Infra | NCC Ltd | J kumar Infra | ITD Cementation | GR Infraprojects |
|-----------------|-----------|----------|---------------|--------------------|---------------------|
| Market Cap | 10903 | 14896 | 4600 | 5257 | 12462 |
| Net Sales | 7956.08 | 15553.41 | 4203.14 | 5090.91 | 9481.51 |
| EBITDA | 1599.83 | 1458.99 | 597.07 | 399.89 | 2545.50 |
| PAT | 658.45 | 646.21 | 274.39 | 124.73 | 1454.43 |
| EPS (Rs) | 25.67 | 9.70 | 36.26 | 7.00 | 150.42 |
| EBITDA MARGIN % | 21.12 | 10.33 | 14.93 | 8.42 | 27.90 |
| PAT MARGIN % | 8.28 | 4.15 | 6.53 | 2.45 | 15.34 |
| ROCE % | 15.05 | 19.94 | 17.59 | 19.36 | 21.81 |
| ROE % | 16.64 | 11.01 | 12.40 | 10.53 | 26.26 |
| P/E | 16.6 | 22.2 | 15.2 | 23.7 | 10.7 |
| P/B | 2.34 | 2.39 | 1.86 | 3.89 | 1.85 |
| EV/EBITDA | 9.88 | 8.61 | 7.05 | 7.73 | 7.60 |
| Dividend Yield | 0.12 | 0.93 | 0.58 | 0.25 | 0.00 |
| Mcap/Sales | 1.31 | 0.77 | 1.00 | 0.74 | 1.39 |

Source: Company, Hem Securities Research.



STORY IN CHARTS





INVESTMENT RATIONALE:

- In the Union Budget 2024-25, Capex has been increased by 11% for the infrastructure sector, thereby providing greater opportunities for companies like PNCIL. With a strong bid pipeline of over Rs.1.90 Lac Cr, the management expects an order inflow of Rs.8,000 Cr in FY24 and Rs.12000 Cr in FY25. Awarding activity of road projects was slow till now but is expected to improve in Q4FY24 and be swift in FY25. The company has bid for 17 projects comprising HAM & EPC projects worth Rs.14,000 Cr.
- Company is one of the key beneficiaries of increasing government focus on the greenfield expressway projects that National Highways Authority of India (NHAI) is focusing on by implementation on both EPC and HAM modes and Government's initiatives such as Bharatmala Pariyojana, Sagarmala, Atal Mission for Rejuvenation & Urban Transformation over next few years.
- Company focus on margins and cash flow generation augurs well from a long-term perspective. Over the years, the company has transformed itself into one of the leading EPC contractors and has grown its order book and revenue at a healthy rate with good margins.
- Company has also calibrated diversification to continue the growth momentum, without assuming the concentration risk, leading to superior scalability and recognition. Robust execution capabilities coupled with strong repository of asset base enabling efficient execution would reflect in strong revenue growth.
- Company has strong financials and healthy balance sheet as compared to its peer companies which gives company a competitive advantage in bidding for new bulky projects.
- Its continued focus on adding and diversifying project portfolio at healthy margins reinforces our positive view on the company.
- For FY24/ FY25, the company aims to grow its revenue by 10% EBITDA margins are expected to be between 13%-13.5%.
- The current order book of the company as on Dec'2023 stands at Rs.17,380 crores which gives company a robust revenue visibility over next 2-3 years. The Current order book of the company stood at almost 2.18 times FY23 revenue. The company is expecting strong order inflows in the coming years on account of strong bidding pipeline and the execution of the existing order-book is likely to pick up in coming years.

RISK FACTORS:

- Lower order inflow and slower execution may hamper revenue growth.
- Higher Input Prices may impact margins.

COMPANY RECAP

- PNC Infratech Limited (PNC) is engaged in Infrastructure construction, development, and management activities; having expertise in the execution of projects including highways, bridges, flyovers, airport runways, industrial areas, and transmission lines.
- The company is leveraging strong project execution track record to diversify into new functional areas of infrastructure development in dedicated freight and corridor projects and water related infrastructure projects.
- **Business overview:** Company provides infrastructure implementation solutions that include engineering, procurement, and construction ("EPC") services on a fixed-sum turnkey basis as well as on an item rate basis. It also executes and implements projects on a "Design-Build- Finance-Operate-Transfer" ("DBFOT"), Operate-Maintain-Transfer ("OMT"), Hybrid Annuity Mode (HAM) and other PPP formats. In the case of BOT and HAM, the company bid as a sponsor either alone or in the joint venture with other ventures and once the project is awarded then it is executed by incorporating a special purpose vehicle.
- **Projects Category:**
 - a. Highway Construction
 - b. BOT-(TOLL)/BOT (Annuity)/OMT/HAM
 - c. Highway Projects
 - d. Airport Runway Project
 - e. Industrial Area Developmen.
- **Customer Base:** The company provides services to clients like NHAI, HSRDC, AAI, MSRDC, Rites, UPPCL, etc.
- **Revenue Breakup:**
 - Road Projects - 69% in H1FY24 vs 74% in H1FY23
 - Water Projects - 20% in H1FY24 vs 6% in H1FY23
 - Toll Collection - 11% in H1FY24 vs 20% in H1FY23.
- **Geographical Concentration :** Company operates predominantly in North India, with the highest exposure in the state of Uttar Pradesh which contributed more than 60% of its order book.
- **Strong Order Book :** As of Q3FY24, executable order book is Rs.17,380 Cr out of which Rs.4,811 Cr is from Road projects, Rs.5,284 Cr is from Water projects and the balance from other projects. The contract under execution is over Rs.17,380 Cr (including a contract worth Rs.5,586 Cr of 5 new HAM projects received recently).



ANNUAL PERFORMANCE

Financials & Valuations

| Income Statement | | | | | | | (₹ Cr) | |
|--------------------------------|---------------|-----------------|----------------|----------------|----------------|----------------|---------------|---------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024E | 2025E |
| Revenue from operations | 2411 | 3,774.36 | 5,602.6 | 5,787.6 | 7,208.0 | 7,956.1 | 8831 | 9714.4 |
| Growth YoY (%) | 7.06 | 56.52 | 48.4 | 3.3 | 24.5 | 10.4 | 11 | 10.00 |
| Total Expenditure | 1608 | 2,767.55 | 4,275.4 | 4,365.8 | 5,676.8 | 6,356.3 | 6800 | 7286 |
| (%) of sales | 66.69 | 73.33 | 76.3 | 75.4 | 78.8 | 79.9 | 77.0 | 75.0 |
| EBITDA | 763 | 1,006.81 | 1,327.2 | 1,421.7 | 1,531.3 | 1,599.8 | 2013.2 | 2428.6 |
| EBITDA Growth (%) | 26.12 | 32.77 | 42.7 | 1.8 | 6.2 | 3.5 | 27 | 20 |
| EBITDA Margin (%) | 31.65 | 27.91 | 26.8 | 26.4 | 22.5 | 21.1 | 23 | 25 |
| Depreciation | 262 | 346.46 | 350.7 | 363.2 | 390.2 | 253.3 | 265 | 278 |
| EBIT | 501 | 705.44 | 1,063.5 | 1,103.1 | 1,198.1 | 1,210.8 | 1766 | 2150.5 |
| Growth (%) | 38.02 | 34.62 | 63.9 | 0.6 | 5.6 | 15.9 | 46 | 22% |
| Interest Expenses | 309 | 347.98 | 439.3 | 426.1 | 425.3 | 469.9 | 712 | 685.0 |
| Other Income | 24 | 46.62 | 175.6 | 107.5 | 92.2 | 80.8 | 75 | 69 |
| Exceptional Items | - | 0.00 | - | - | (1.9) | - | - | - |
| Earnings before Taxes | 216 | 359.67 | 719.3 | 739.9 | 806.1 | 957.5 | 1129.2 | 1534.5 |
| Growth (%) | 134.78% | 67% | 100% | 3% | 9% | 19% | 18% | 36% |
| EBT Margin (%) | 8.96 | 9.53 | 12.8 | 12.8 | 11.2 | 12.0 | 13.0 | 16.0 |
| Tax-Total | -25.92 | 8.31 | 169.4 | 247.2 | 225.7 | 299.0 | 282.3 | 383.6 |
| Rate of tax (%) | -12 | 2.31 | 23.5 | 33.4 | 28.0 | 31.2 | 25.0 | 25.0 |
| Net Profit | 241.92 | 351.36 | 549.9 | 492.6 | 580.4 | 658.5 | 846.9 | 1150.9 |
| Growth (%) | 205.93 | 44.59 | 56.8 | (10.4) | 17.8 | 13.4 | 29 | 36 |
| PAT Margin (%) | 10.03 | 9.31 | 9.8 | 8.5 | 8.1 | 8.3 | 10 | 12 |
| EPS | 9.47 | 13.70 | - | 0.5 | (0.3) | - | 33.1 | 44.96 |
| EPS Growth (%) | 205.42 | 44.59 | 549.9 | 492.6 | 580.4 | 658.5 | 29% | 36% |

Balance Sheet

| Y/E March | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|-------------|----------------|----------------|----------------|-----------------|-----------------|
| Equity Share Capital | 51 | 51.3 | 51.3 | 51.3 | 51.3 | 51.3 |
| Reserves & Surplus | 1637 | 1,973.1 | 2,503.0 | 3,001.9 | 3,576.8 | 4,233.7 |
| Total Shareholder's Funds (A) | 1688 | 2,024.4 | 2,554.3 | 3,053.2 | 3,628.1 | 4,285.0 |
| Long Term Borrowings | 1843 | 2,515.0 | 3,246.0 | 3,735.0 | 4,337.0 | 5,559.0 |
| Non-Controlling Interest | - | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Non-Current Liabilities (B) | 1843 | 2,515.0 | 3,246.0 | 3,735.0 | 4,337.0 | 5,559.0 |
| Advance from customers | 0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Trade Payables | 473 | 479.0 | 476.0 | 726.0 | 514.0 | 688.0 |
| Other Liability Items | 1899 | 2,233.0 | 2,214.0 | 2,062.0 | 2,166.0 | 2,099.0 |
| Total Current Liabilities (C) | 2372 | 2,712.0 | 2,690.0 | 2,788.0 | 2,680.0 | 2,787.0 |
| Total Equity and Liabilities (A+B+C) | 5902 | 7,251.4 | 8,490.3 | 9,576.2 | 10,645.1 | 12,631.0 |
| Property, Plant & Equipment | 2279 | 2,233.8 | 1,978.1 | 1,796.9 | 1,481.6 | 1,290.7 |
| Capital Work in progress | 11 | 6.2 | 0.0 | 3.4 | 0.0 | 0.0 |
| Investments | 169 | 263.0 | 444.0 | 579.0 | 424.0 | 312.0 |
| Total Non-Current Assets (A) | 2459 | 2,503.0 | 2,422.1 | 2,379.4 | 1,905.6 | 1,602.7 |
| Inventory | 176 | 403.6 | 267.3 | 353.6 | 480.8 | 764.4 |
| Debtors | 595 | 519.4 | 284.1 | 392.8 | 665.8 | 1,098.8 |
| Cash and Bank Balance | 185 | 408.4 | 921.1 | 944.5 | 747.3 | 706.3 |
| Loans and advances | 51 | 83.0 | 257.0 | 288.0 | 347.0 | 8.0 |
| Other Current Assets | 2436 | 3,338.0 | 4,339.0 | 5,218.0 | 6,498.0 | 8,452.0 |
| Total Current Assets (B) | 3443 | 4,752.4 | 6,068.5 | 7,196.9 | 8,738.8 | 11,029.5 |
| Total Assets (A+B) | 5902 | 7,251.4 | 8,490.3 | 9,576.3 | 10,645.1 | 12,631.0 |

Source: Company, Hem Securities Research.



| Ratios | | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Y/E March (Basic (INR)) | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Profitability and return ratios | | | | | | |
| Net profit margin (%) | 10.08 | 9.31 | 9.81 | 8.51 | 8.05 | 8.28 |
| EBITDA margin (%) | 32 | 27.91 | 26.82 | 26.42 | 22.52 | 21.12 |
| EBIT margin (%) | 21.8 | 18.75 | 20.68 | 20.15 | 17.08 | 17.94 |
| ROE (%) | 15.43 | 18.93 | 24.02 | 17.57 | 17.37 | 16.64 |
| ROCE (%) | 14.86 | 16.63 | 21.32 | 17.52 | 15.74 | 15.05 |
| Working Capital & liquidity ratios | | | | | | |
| Payables (Days) | 160.34 | 118.99 | 80.61 | 97.74 | 70.90 | 65.57 |
| Inventory (Days) | 24.92 | 28.01 | 21.85 | 19.58 | 21.13 | 28.56 |
| Receivables (Days) | 94.37 | 53.86 | 26.17 | 21.34 | 26.80 | 40.48 |
| Current Ratio (x) | 1.44 | 1.70 | 1.96 | 1.72 | 1.68 | 1.69 |
| Valuations Ratios | | | | | | |
| EV/sales (x) | 2.63 | 1.66 | 0.90 | 1.70 | 1.48 | 1.63 |
| EV/EBITDA (x) | 7.99 | 5.96 | 3.35 | 6.44 | 6.58 | 7.72 |
| P/E (x) | 18.53 | 11.13 | 6.00 | 13.28 | 11.4 | 11.25 |
| P/BV (x) | 2.67 | 1.93 | 0.96 | 2.16 | 1.83 | 1.73 |
| Dividend Yield (%) | 0.28 | 0.33 | 0.53 | 0.19 | 0.19 | 0.17 |
| Return on Assets (%) | 4.49 | 5.50 | 7.15 | 5.51 | 5.75 | 5.66 |
| Leverage Ratio | | | | | | |
| Debt/Equity (x) | 0.28 | 1.37 | 1.38 | 1.37 | 1.32 | 1.46 |

| Cash Flow Statement | | | | | | |
|---|--------------|-------------|-------------|-------------|-------------|-------------|
| Y/E March | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| CF from Operating activities (A) | 591 | 197 | 525 | 190 | -499 | -1,454 |
| CF from Investing Activities (B) | -252 | -444 | -230 | -252 | 25 | 343.09 |
| CF from Financing Activities (C) | -211 | 400 | 254 | 63 | 148 | 1,005 |
| Net Cash Flow | 129 | 153.41 | 548.90 | 0.58 | -325.62 | -106 |
| Add: Opening Bal. | 15.49 | 144 | 297 | 846 | 847 | 521 |
| Closing Balance | 143.9 | 297 | 846 | 847 | 521 | 415 |

Source: Company, Hem Securities Research.



RATING CRITERIA

| INVESTMENT RATING | EXPECTED RETURN |
|-------------------|-----------------|
| BUY | >=15% |
| ACCUMULATE | 5% to 15% |
| HOLD | 0 to 5% |
| REDUCE | -5% to 0 |
| SELL | <-5% |

RECOMMENDATION SUMMARY

| DATE | RATING | TARGET |
|---------------------------|--------|--------|
| 21 st March 24 | BUY | 510 |
| | | |
| | | |
| | | |
| | | |

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Name of the Research Analyst: Deepanshu Jain

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