

KEC International

Estimate changes

TP change

Rating change



Bloomberg	KECI IN
Equity Shares (m)	266
M.Cap.(INRb)/(USDb)	177.6 / 1.9
52-Week Range (INR)	947 / 605
1, 6, 12 Rel. Per (%)	-7/-25/-27
12M Avg Val (INR M)	1085

Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Net Sales	249.8	297.3	350.2
EBITDA	18.1	22.6	26.7
PAT	7.2	9.9	12.4
EPS (INR)	27.1	37.0	46.8
GR. (%)	23.5	39.8	26.3
BV/Sh (INR)	219.2	248.8	287.5

Ratios

ROE (%)	12.9	15.8	17.4
RoCE (%)	12.8	14.4	15.1

Valuations

P/E (X)	25.2	18.0	14.3
P/BV (X)	3.0	2.7	2.3
EV/EBITDA (X)	11.9	9.8	8.5
Div Yield (%)	1.0	1.1	1.2

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	50.1	50.1	50.1
DII	25.5	22.5	24.9
FII	11.8	15.9	15.2
Others	12.7	11.4	9.8

FII Includes depository receipts

CMP: INR667

TP: INR890 (+33%)

Buy

Pipeline remains strong

KEC posted in-line results in 3QFY26. The performance could have been better, but it was impacted by labor constraints and lower margins in select segments. Order inflow for 9MFY26 remained strong at INR193b, resulting in OB of INR367b. Going ahead, we expect KEC to continue to benefit from strong addressable market across segments. We expect T&D and cable to continue to lead the growth vs. other segments. Margin performance, however, could be impacted by delays in claim settlements. We thus reduce our margin estimates and cut our estimates by 15%/8%/8% for FY26/27/28. The stock is currently trading at attractive valuations of 18x/14.3x P/E on FY27/28 estimates. We maintain BUY with a revised TP of INR890, based on 20x P/E Dec'27E earnings.

In-line results

KEC's revenue/EBITDA/PAT were in line with our estimates. Revenue grew 12% YoY to INR60b vs. our estimate of INR61b. Growth was led largely by T&D and cable divisions, which grew 31% and 37% YoY, respectively. Revenue growth was impacted by labor constraints and slow release of funds from water projects. EBITDA grew 15% YoY to INR4.3b vs. our estimate of INR4.5b, while margin at 7.2% was up 20bp YoY/10bp QoQ. EBITDA was impacted by lower margins in water and metro segments and delays in claim settlement. PAT increased by 35% YoY to INR1.7b, in line with our estimate of INR1.8b. Order inflow stood at INR32b in 3QFY26, taking the closing order book (OB) to INR367b. T&D/non-T&D mix stood at 64%/36%. OB + L1 position stood at INR410b. Under the new labor codes, the company has recognized incremental estimated employee benefit obligations of INR588m as an exceptional item. For 9MFY26, revenue/EBITDA/PAT increased by 14%/25%/52% to INR171b/INR12b/INR5b and EBITDA margin expanded by 70bp YoY to 7.1%. Net debt, including acceptances, stood at INR68b vs. INR56b as of 31st Dec'24.

T&D remains the key growth driver

T&D remains the key growth driver, delivering 3Q revenue of INR42b (+31% YoY) and strong order intake of over INR13.5b, led by India and international markets. The company is executing five HVDC projects plus one for a private developer and sees additional upside from two upcoming HVDC lines in India and one in Saudi Arabia (~INR750b combined), with the overall tender pipeline at over INR1.8t, of which T&D accounts for ~INR400-500b. In India, intrastate transmission has shifted decisively to TBCB, with private players share rising to ~75% from 45% last year, and KEC's success with large private developers mitigating the impact of the temporary PGCIL exclusion. Internationally, SAE posted 70% YoY revenue growth in 3Q on strong demand from North America and Brazil, taking T&D (including SAE) order book plus L1 to over INR260b. KEC has a healthy pipeline across the Middle East, Africa, CIS and the Americas; on this base, we expect T&D order inflows and revenue to grow at a CAGR of 21% and 17%, respectively, over FY25-28E.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

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

Non-T&D: Near-term pressure, gradual recovery visible

Among non-T&D segments, the cable business grew 37% YoY to INR6b, aided by a better product mix, full copper hedging and improving profitability. Civil segment revenue declined 16% YoY to INR9b due to labor shortages, delayed work fronts and slow water payments, though the >INR100b order book plus L1 (60-65% in buildings & factories) supports a gradual recovery. Railway revenue fell 23% YoY to INR3b as the company consciously scaled down legacy metro/rail to focus on higher-margin projects such as Kavach/TCAS, PSI, ABS and selective MENA projects. O&G delivered INR1b in 3Q and secured a third international Middle East pipeline order. Water remains a drag and is expected to be fully exited over the next 12–15 months. Overall, we are building in a marginal recovery in civil segment revenue going forward, while we expect the railway segment to remain largely flat. We expect T&D/non-T&D mix to remain around 67%/33% by FY27.

Margin trajectory improving, with a near-term reset

EBITDA margin improved marginally by 20bp YoY to 7.2% in 3Q, with FY26 margin guidance lowered to 7-7.5% from ~8%. The reset reflects slow progress and muted payments in high-margin water projects, closure and maintenance costs on delayed metro/rail jobs, slower-than-expected resolution of legacy disputes and under-recovery of civil overheads due to lower-than-planned revenue. The core T&D business is already at double-digit margins and the order book remains reasonably profitable with an improving mix, which should support margin improvement in FY27 and FY28 from FY26 levels after legacy clean-up.

Comfortable net working capital

Working capital and net debt increased in 3Q, driven by strong execution, higher strategic inventory (on benign commodity prices) and delayed collections, especially in water and some large international projects. Net debt, including acceptances, stood at INR68b as of Dec'25 (INR56b as of Dec'24), with NWC at 135 days (vs. 129 days as of Dec'24). Debt has already fallen by ~INR3b in Jan'26. While NWC is currently high, we expect it to remain comfortable and improve gradually. Despite higher borrowings, interest cost has declined by 30bp to 2.9% of 3Q revenue.

Financial outlook

We cut our estimates by 15%/8%/8% for FY26/27/28 to factor in lower margins. We expect a CAGR of 17%/21%/30% in revenue/EBITDA/PAT over FY25-28. This will be driven by 1) order inflow growth of 21% on a strong prospect pipeline; 2) a gradual recovery in EBITDA margin to 7.2% in FY26 and 7.6% by FY27/FY28; and 3) stable NWC. With the expected improvement in execution and margins, we expect its RoE and RoCE to improve to 17.4% and 15.1%, respectively, by FY28.

Valuation and recommendation

KEC is currently trading at 25.2x/18x/14.3x on FY26E/27E/28E EPS. Our estimates bake in a revenue CAGR of ~17% and an EBITDA margin of 7.2% for FY26E and 7.6% for FY27E/28E. **We maintain BUY with a revised TP of INR890 (from INR920 earlier)** based on 20x Dec'27E EPS.

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				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
Net Sales	45,119	51,133	53,494	68,721	50,229	60,916	60,014	78,622	2,18,467	2,49,779	61,335	(2)
YoY Change (%)	6.3	13.7	6.8	11.5	11.3	19.1	12.2	14.4	9.7	14.3	14.7	
Total Expenditure	42,415	47,931	49,749	63,333	46,728	56,612	55,714	72,621	2,03,428	2,31,674	56,796	(2)
EBITDA	2,704	3,202	3,745	5,388	3,501	4,304	4,300	6,000	15,039	18,105	4,539	(5)
YoY Change (%)	10.6	16.7	21.6	38.9	29.5	34.4	14.8	11.4	23.8	20.4	21.2	
Margins (%)	6.0	6.3	7.0	7.8	7.0	7.1	7.2	7.6	6.9	7.2	7.4	
Depreciation	465	453	453	465	459	506	504	584	1,837	2,052	521	(3)
Interest	1,550	1,681	1,702	1,703	1,511	1,715	1,711	1,744	6,636	6,682	1,713	(0)
Other Income	431	66	9	202	54	46	102	112	709	315	73	40
PBT before EO expense	1,120	1,135	1,598	3,422	1,585	2,130	2,187	3,784	7,275	9,686	2,377	(8)
Extra-Ord expense							588	0		588		
PBT	1,120	1,135	1,598	3,422	1,585	2,130	1,599	3,784	7,275	9,098	2,377	(33)
Tax	245	281	303	740	339	522	325	1,294	1,568	2,480	609	
Rate (%)	21.8	24.7	18.9	21.6	21.4	24.5	20.3	34.2	21.5	27.3	25.6	
Reported PAT	876	854	1,296	2,682	1,246	1,608	1,275	2,491	5,707	6,619	1,769	(28)
Adj PAT	876	854	1,296	2,682	1,246	1,608	1,743	2,450	5,707	7,046	1,769	(1)
YoY Change (%)	106.9	53.1	33.7	76.7	42.3	88.2	34.5	(8.7)	64.6	23.5	36.5	
Margins (%)	1.9	1.7	2.4	3.9	2.5	2.6	2.9	3.1	2.6	2.8	2.9	

INR m	FY25				FY26			FY25	FY26E	YoY (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q			
Segmental revenue										
T&D (domestic + SAE)	24,990	28,310	31,750	43,280	31,570	40,800	41,610	1,28,330	1,69,005	31.1
Cables	3,630	4,410	4,060	5,940	3,830	5,240	5,560	18,040	21,440	36.9
Railways	4,710	5,030	4,560	6,810	4,710	4,250	3,490	21,110	17,763	(23.5)
Civil	12,580	14,250	14,160	16,020	11,360	12,100	11,220	57,010	48,466	(20.8)
Less intersegmental	(790)	(870)	(1,040)	(3,330)	(1,240)	(1,470)	(1,870)	(6,030)	(6,894)	79.8
Grand total	45,120	51,130	53,490	68,720	50,230	60,920	60,010	2,18,460	2,49,779	12.2



Conference call highlights

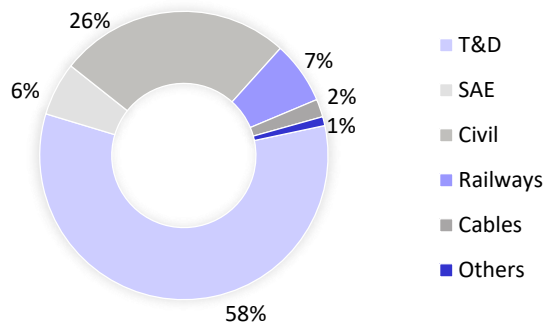
- **TAM:** KEC has a tender pipeline of over INR1.8t, largely in T&D and civil. Within this, transmission is INR400-500b (incl. ~INR150b from Middle East), civil ~INR600b (incl. ~INR200b international), and renewables ~INR300b. Management noted that this represents a ~six-month rolling pipeline, which remains broadly steady as new tenders replace those bid out.
- **T&D:** The company stated that private developers now account for ~75% of TBCB transmission awards, up from ~45% last year, indicating a structural shift in India's transmission market. Internationally, T&D opportunities remain strong across the Middle East, Africa, CIS and the Americas.
- **HVDC:** The company highlighted HVDC as a key long-term opportunity, currently executing five HVDC projects with visibility for three more - two in India (South and Rajasthan) and one in Saudi Arabia. Management indicated that each HVDC project is typically ~INR250b in size, implying an ~INR750b+ aggregate opportunity for the upcoming projects.
- **Cables:** The cables and conductors business continues to see steady demand across domestic and export markets. Management confirmed 100% copper hedging at order acceptance, eliminating commodity risk. New product capabilities in E-beam and elastomeric cables are under development, with commercial production of elastomeric cables expected by the end of FY26.
- **Civil:** Buildings and factories now account for ~60-65% of the civil order book, reflecting strategic repositioning away from lower-quality projects. Labor

availability remains a key execution constraint, with management indicating a shortage of ~2,000-4,000 workers vs. requirement, particularly impacting civil and water projects.

- **Water:** The company indicated that water segment exposure remains limited, with order book exposure of ~INR14b. Accounts receivable stands at ~INR9b, broadly stable YoY, with a marginal increase of ~INR0.8b-1b. Given the payment profile, execution continues on a calibrated, cash-and-carry basis, with selective bidding in new water projects.
- **Railways:** The company has commissioned Kavach across ~611 route km and is currently executing ~1,836 additional route km. The railways strategy is focused on technology-led segments such as Kavach, automatic block signaling (ABS), power supply systems and select metro works, while consciously reducing exposure to conventional, low-margin civil railway projects.
- **Oil & Gas:** The oil & gas pipeline business has secured three international pipeline projects, all in the Middle East. Management clarified that exposure remains selective and early-stage, with current opportunities not materially impacted by crude price volatility.
- **Capacity expansion:** Capacity expansion has been completed at Dubai, Jaipur and Jabalpur facilities, while the Nagpur expansion is expected to be completed by Mar'26. Incremental investments have also been made in Brazil hardware manufacturing, aimed at supporting rising demand from the Americas.
- **Data centers:** The company has executed five data center projects to date. Management highlighted that while announced data center capacity in India is large, actual tenders are being released in small, fragmented packages. Current bids include civil-only and civil+MEP scopes, with selective participation until tender depth improves.
- **Chinese competition:** Management stated that potential Chinese imports would primarily ease shortages in critical substation and power equipment components. As an EPC player, the company does not face direct competition from Chinese firms in execution and views improved equipment availability as positive for project timelines and commissioning.
- **Guidance:** Management has cut its FY26 EBITDA margin guidance to 7.0-7.5% from ~8%, reflecting delays in the closure of higher-margin projects and slower progress in water and metro segments. On order intake, management indicated an aspirational target of ~INR300-350b for FY27, subject to budget finalization and tender conversion, supported by a strong tender pipeline.

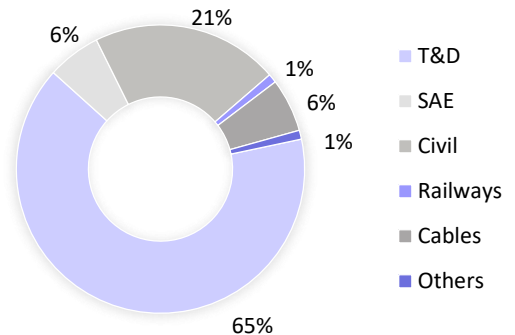
Key Exhibits

Exhibit 1: Segmental order book breakup of INR367b



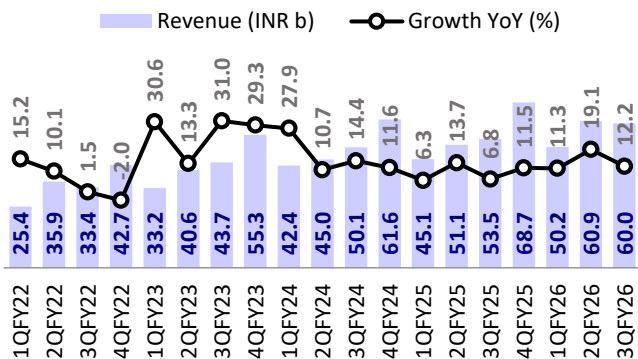
Source: MOFSL, Company

Exhibit 2: Segmental YTD order inflow breakup of INR193b



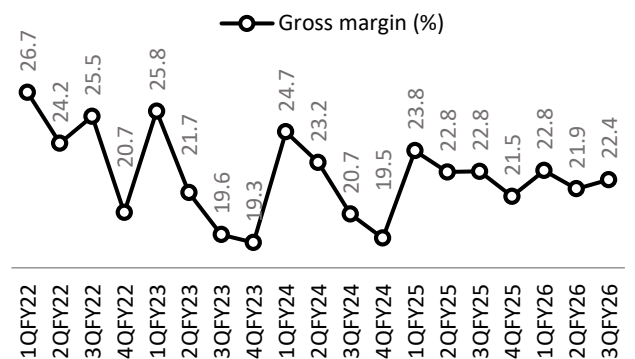
Source: MOFSL, Company

Exhibit 3: Revenue growth in line with expectations (INR b)



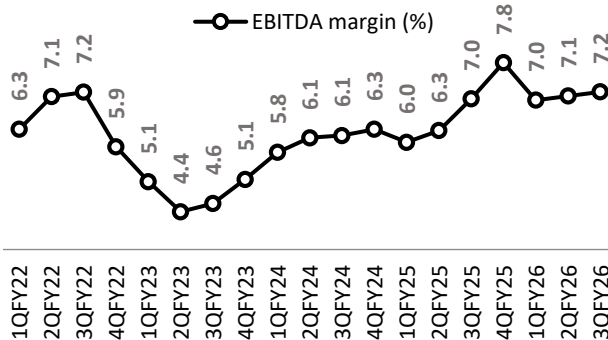
Source: MOFSL, Company

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



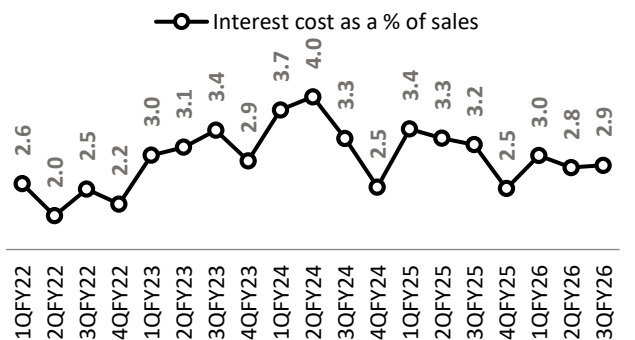
Source: MOFSL, Company

Exhibit 5: EBITDA margin expanded 20bp YoY (%)



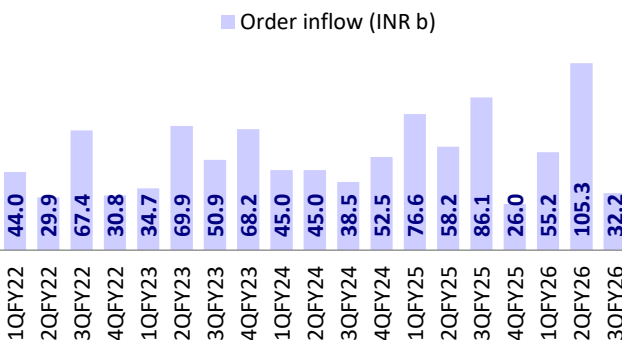
Source: MOFSL, Company

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



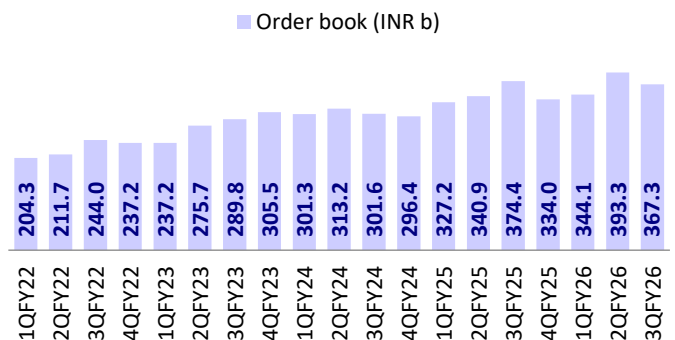
Source: MOFSL, Company

Exhibit 7: Order inflow decreased 63% YoY (INR b)



Source: MOFSL, Company

Exhibit 8: OB declined 2% YoY (INR b)



Source: MOFSL, Company

Exhibit 9: We cut our estimates by 15%/8%/8% for FY26/27/28 to factor in lower margins

(INR M)	FY26E			FY27E			FY28E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)	New	Old	Chg (%)
Order inflow	3,05,293	3,05,293	0.0	3,68,869	3,68,869	0.0	4,34,287	4,34,287	0.0
Net Sales	2,49,779	2,55,561	(2.3)	2,97,286	2,98,231	(0.3)	3,50,181	3,51,693	(0.4)
EBITDA	18,105	19,762	(8.4)	22,636	23,869	(5.2)	26,680	28,081	(5.0)
EBITDA (%)	7.2	7.7	-48 bps	7.6	8.0	-39 bps	7.6	8.0	-37 bps
Adj. PAT	7,046	8,269	(14.8)	9,854	10,731	(8.2)	12,448	13,537	(8.0)
EPS (INR)	26.5	31.1	(14.8)	37.0	40.3	(8.2)	46.8	50.9	(8.0)

Source: MOFSL

Exhibit 10: Segmental assumptions (INR m)

	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Transmission & distribution										
Order inflows	70,295	38,525	68,881	60,211	89,512	1,01,371	1,55,541	2,02,375	2,35,031	2,65,984
yoy growth (%)	-13.8	-45.2	78.8	-12.6	48.7	13.2	53.4	30.1	16.1	13.2
Revenues	65,906	66,360	64,910	60,050	74,851	90,080	1,15,080	1,50,829	1,84,503	2,19,544
yoy growth (%)	-3.0	0.7	-2.2	-7.5	24.6	20.3	27.8	31.1	22.3	19.0
Order backlog	1,15,461	1,00,465	1,05,100	1,06,722	1,28,322	1,45,256	1,77,009	2,28,555	2,79,083	3,25,523
Bill to book ratio (%)	47.4	49.3	48.1	44.4	49.4	50.3	51.6	54.2	53.3	53.3
Cables										
Order inflows	9,539	10,198	8,313	10,322	11,189	14,482	12,345	21,505	29,032	36,290
yoy growth (%)	-9.7	6.9	-18.5	24.2	8.4	29.4	10.0	35.0	35.0	25.0
Revenues	11,830	11,050	10,620	15,240	16,160	16,450	18,050	21,440	27,948	34,345
yoy growth (%)	17.2	-6.6	-3.9	43.5	6.0	1.8	9.7	18.8	30.4	22.9
Order backlog	3,741	6,151	1,911	2,372	3,055	5,929	6,680	6,745	7,828	9,773
Bill to book ratio (%)	91.0	79.3	73.4	124.6	119.2	93.8	98.8	94.0	98.0	98.0
Railways										
Order inflows	26,885	31,727	16,626	24,084	29,091	10,861	22,220	11,110	14,443	18,776
yoy growth (%)	-31.5	18.0	-47.6	44.9	20.8	-62.7	104.6	-50.0	30.0	30.0
Revenues	19,180	25,510	34,080	38,600	37,020	31,150	21,120	17,763	17,907	17,284
yoy growth (%)	127.3	33.0	33.6	13.3	-4.1	-15.9	-32.2	-15.9	0.8	-3.5
Order backlog	48,698	61,509	45,862	37,946	39,719	32,608	36,738	30,085	26,621	28,113
Bill to book ratio (%)	34.9	39.5	48.8	66.7	70.5	69.0	48.3	42.0	48.0	48.0
Civil										
Order inflows	11,266	27,194	15,418	63,651	78,323	45,255	34,565	55,303	66,364	79,637
yoy growth (%)	148.7	141.4	-43.3	312.8	23.1	-42.2	-23.6	60.0	20.0	20.0
Revenues	5,950	3,760	12,810	21,440	38,310	54,390	56,990	48,466	56,084	63,189
yoy growth (%)	40.7	-36.8	240.7	67.4	78.7	42.0	4.8	-15.0	15.7	12.7
Order backlog	4,682	26,654	32,485	78,263	1,19,157	1,12,647	93,514	1,00,351	1,10,631	1,27,079
Bill to book ratio (%)	55.0	20.6	37.3	33.3	32.6	38.4	43.9	40.0	42.0	42.0
SAE										
Order inflows	10,526	5,666	9,501	13,762	15,665	9,051	22,220	15,000	24,000	33,600
YoY growth (%)	-30.3	-46.2	67.7	44.9	13.8	-42.2	145.5	-32.5	60.0	40.0
Revenues	9,655	15,390	11,460	8,840	13,240	14,470	13,250	18,176	19,050	25,485
YoY growth (%)	-5.8	59.4	-25.5	-22.9	49.8	9.3	-8.4	37.2	4.8	33.8
Order backlog	18,157	10,252	5,733	11,858	15,277	8,893	20,039	16,863	21,813	29,929
Bill to book ratio (%)	39.7	73.3	76.4	70.1	67.2	73.1	66.2	66.0	66.0	66.0
Total Order inflows	1,28,510	1,13,310	1,18,739	1,72,030	2,23,780	1,81,020	2,46,890	3,05,293	3,68,869	4,34,287
YoY growth (%)	-14.9	-11.8	4.8	44.9	30.1	-19.1	36.4	23.7	20.8	17.7
Revenues	1,10,005	1,19,654	1,31,142	1,37,423	1,72,817	1,99,130	2,18,460	2,49,779	2,97,286	3,50,181
YoY growth (%)	9.4	8.8	9.6	4.8	25.8	15.2	9.7	14.3	19.0	17.8
Total Order backlog	1,90,740	2,05,030	1,91,091	2,37,160	3,05,530	3,05,333	3,33,980	3,89,494	4,61,078	5,45,183
Bill to book ratio (%)	47.4	49.3	50.6	52.0	51.4	52.2	52.4	52.7	53.2	53.1

Source: Company, MOFSL

Financial outlook

Exhibit 11: We expect a 17% revenue CAGR over FY25-28 driven by strong order book

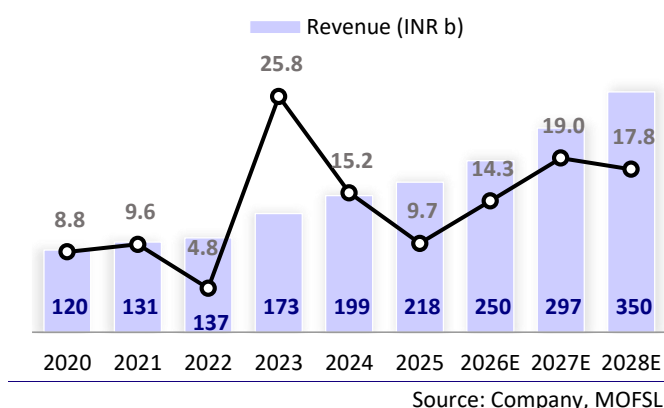


Exhibit 12: Order inflow and order book have started moving up since the beginning of FY25 (INR b)

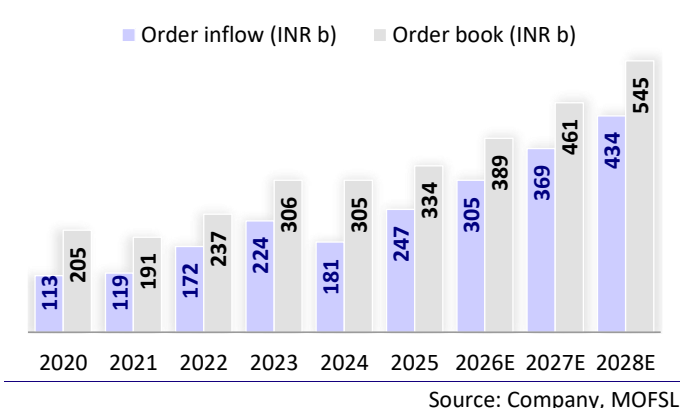


Exhibit 13: We expect a gradual margin expansion as legacy projects get over (%)

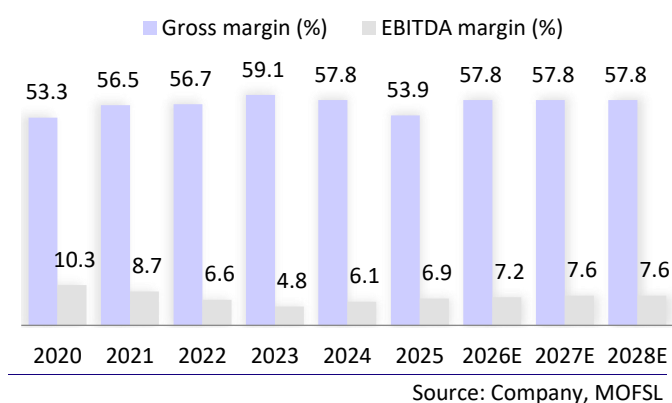


Exhibit 14: Interest costs as a % of sales to see a steady decline going forward (%)

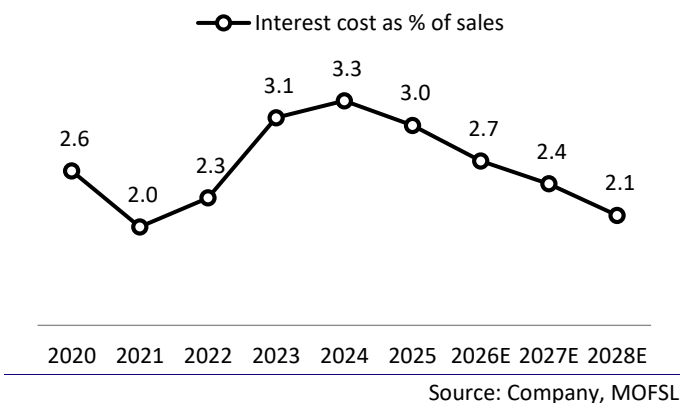


Exhibit 15: We expect NWC days to moderate from FY27 onwards, while net debt to remain high on strong growth

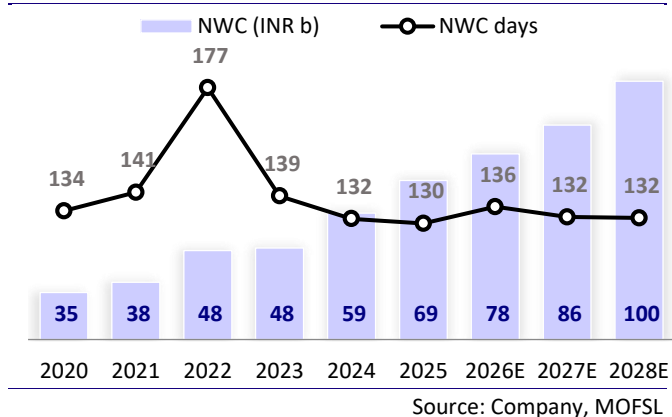
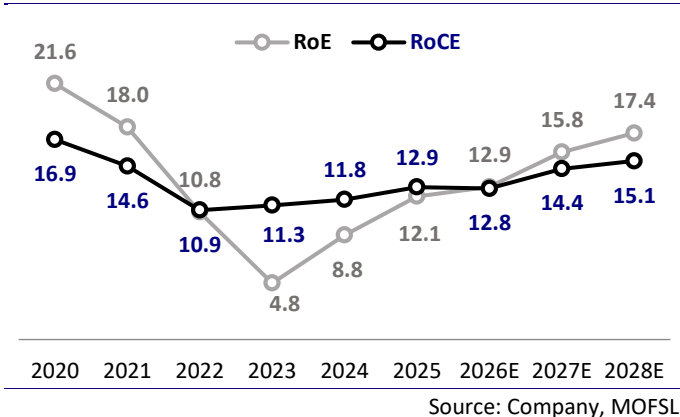


Exhibit 16: We expect return ratios to improve on better profitability (%)



Financials and valuation

Consolidated - Income Statement

(INR M)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	1,31,142	1,37,423	1,72,817	1,99,142	2,18,467	2,49,779	2,97,286	3,50,181
Change (%)	9.6	4.8	25.8	15.2	9.7	14.3	19.0	17.8
Raw Materials	96,076	1,04,582	1,36,208	1,55,848	1,69,103	1,92,830	2,29,505	2,70,340
Gross Profit	35,065	32,840	36,609	43,294	49,364	56,950	67,781	79,841
Employees Cost	11,151	11,219	14,749	14,406	15,402	18,070	21,506	25,333
Other Expenses	12,503	12,587	13,562	16,742	18,923	20,775	23,639	27,828
Total Expenditure	1,19,730	1,28,388	1,64,520	1,86,996	2,03,428	2,31,674	2,74,650	3,23,501
% of Sales	91.3	93.4	95.2	93.9	93.1	92.8	92.4	92.4
EBITDA	11,412	9,034	8,297	12,146	15,039	18,105	22,636	26,680
Margin (%)	8.7	6.6	4.8	6.1	6.9	7.2	7.6	7.6
Depreciation	1,525	1,579	1,615	1,854	1,837	2,052	2,303	2,591
EBIT	9,886	7,456	6,683	10,292	13,202	16,053	20,333	24,089
Int. and Finance Charges	2,627	3,160	5,386	6,551	6,636	6,682	7,260	7,426
Other Income	299	134	313	524	709	315	171	69
PBT bef. EO Exp.	7,559	4,430	1,610	4,265	7,275	9,686	13,244	16,732
EO Items	0	-436	0	0	0	-588	0	0
PBT after EO Exp.	7,559	3,994	1,610	4,265	7,275	9,098	13,244	16,732
Total Tax	2,032	674	-151	797	1,568	2,480	3,391	4,283
Tax Rate (%)	26.9	16.9	-9.4	18.7	21.5	27.3	25.6	25.6
Reported PAT	5,527	3,320	1,761	3,468	5,707	6,619	9,854	12,448
Adjusted PAT	5,527	3,683	1,761	3,468	5,707	7,046	9,854	12,448
Change (%)	-2.3	-33.4	-52.2	97.0	64.6	23.5	39.8	26.3
Margin (%)	4.2	2.7	1.0	1.7	2.6	2.8	3.3	3.6

Consolidated - Balance Sheet

(INR M)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	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	57,831	65,688	76,007
Net Worth	33,597	36,199	37,714	40,957	53,475	58,363	66,220	76,539
Total Loans	18,434	28,627	31,945	38,123	37,011	42,011	45,011	50,511
Deferred Tax Liabilities	-68	-1,703	-3,273	-3,537	-4,372	-4,372	-4,372	-4,372
Capital Employed	51,963	63,123	66,386	75,544	86,114	96,002	1,06,860	1,22,678
Gross Block	22,307	24,933	26,430	28,550	30,509	34,189	38,421	43,288
Less: Accum. Deprn.	10,485	12,053	13,286	14,988	16,825	18,877	21,180	23,771
Net Fixed Assets	11,821	12,880	13,143	13,561	13,684	15,312	17,241	19,517
Goodwill on Consolidation	2,154	2,497	2,685	2,721	2,782	2,782	2,782	2,782
Capital WIP	179	25	115	139	385	385	385	385
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	2,28,877	2,62,565	3,05,963
Inventory	8,422	10,665	11,372	12,133	11,405	16,424	19,548	23,985
Account Receivables	1,01,498	1,16,659	1,34,966	1,35,133	1,63,095	1,88,190	2,19,910	2,59,038
Cash and Bank Balance	2,492	2,619	3,442	2,733	6,559	3,933	1,761	526
Loans and Advances	13,284	15,777	17,691	20,357	19,362	20,330	21,346	22,413
Curr. Liability & Prov.	87,897	98,125	1,17,027	1,11,234	1,31,158	1,51,354	1,76,114	2,05,968
Other Current Liabilities	87,107	97,109	1,15,841	1,10,037	1,29,953	1,49,301	1,73,670	2,03,090
Provisions	790	1,015	1,186	1,197	1,206	2,053	2,443	2,878
Net Current Assets	37,799	47,596	50,443	59,122	69,263	77,523	86,451	99,994
Appl. of Funds	51,963	63,123	66,386	75,544	86,114	96,003	1,06,860	1,22,679

Financials and valuation

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)								
EPS	20.8	13.8	6.6	13.0	21.4	26.5	37.0	46.8
Cash EPS	26.5	19.8	12.7	20.0	28.3	34.2	45.7	56.5
BV/Share	126.2	136.0	141.7	153.9	200.9	219.2	248.8	287.5
DPS	4.0	4.0	3.0	4.0	5.5	6.5	7.5	8.0
Payout (%)	23.2	32.1	45.4	30.7	25.7	26.1	20.3	17.1
Valuation (x)								
P/E	32.1	48.2	100.9	51.2	31.1	25.2	18.0	14.3
Cash P/E	25.2	33.7	52.6	33.4	23.5	19.5	14.6	11.8
P/BV	5.3	4.9	4.7	4.3	3.3	3.0	2.7	2.3
EV/Sales	1.5	1.5	1.2	1.1	1.0	0.9	0.7	0.6
EV/EBITDA	17.0	22.5	24.8	17.5	13.8	11.9	9.8	8.5
Dividend Yield (%)	0.6	0.6	0.4	0.6	0.8	1.0	1.1	1.2
FCF per share	20.1	-21.2	11.3	-0.4	17.9	5.2	15.3	10.6
Return Ratios (%)								
RoE	18.0	10.6	4.8	8.8	12.1	12.6	15.8	17.4
RoCE	14.8	10.8	11.4	11.8	12.9	12.5	14.4	15.1
RoIC	15.1	11.3	11.9	12.4	13.6	13.7	15.4	15.8
Working Capital Ratios								
Fixed Asset Turnover (x)	5.9	5.5	6.5	7.0	7.2	7.3	7.7	8.1
Asset Turnover (x)	2.5	2.2	2.6	2.6	2.5	2.6	2.8	2.9
Inventory (Days)	23	28	24	22	19	24	24	25
Debtor (Days)	282	310	285	248	272	275	270	270
Leverage Ratio (x)								
Current Ratio	1.4	1.5	1.4	1.5	1.5	1.5	1.5	1.5
Interest Cover Ratio	3.8	2.4	1.2	1.6	2.0	2.4	2.8	3.2
Net Debt/Equity	0.5	0.7	0.8	0.9	0.6	0.7	0.7	0.7

Consolidated - Cash Flow Statement

(INR M)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	7,559	4,430	1,610	4,265	7,275	9,686	13,244	16,732
Depreciation	1,525	1,579	1,615	1,854	1,837	2,052	2,303	2,591
Interest & Finance Charges	2,627	3,160	5,386	6,551	6,636	6,682	7,260	7,426
Direct Taxes Paid	-2,032	-674	151	-797	-1,568	-2,480	-3,391	-4,283
(Inc)/Dec in WC	-2,405	-9,669	-2,026	-9,387	-6,315	-10,886	-11,100	-14,778
CF from Operations	7,274	-1,174	6,736	2,486	7,866	5,054	8,316	7,687
Others	-595	-1,636	-1,569	-264	-835	0	0	0
CF from Operating incl EO	6,679	-2,809	5,166	2,222	7,031	5,054	8,316	7,687
(Inc)/Dec in FA	-1,322	-2,826	-2,156	-2,333	-2,266	-3,680	-4,232	-4,867
Free Cash Flow	5,357	-5,635	3,010	-111	4,764	1,374	4,084	2,820
(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	-3,680	-4,232	-4,867
Issue of Shares	1,378	347	553	840	8,274	0	0	0
Inc/(Dec) in Debt	-2,184	10,193	3,317	6,179	-1,112	5,000	3,000	5,500
Interest Paid	-2,627	-3,160	-5,386	-6,551	-6,636	-6,682	-7,260	-7,426
Dividend Paid	-1,284	-1,065	-799	-1,065	-1,464	-1,730	-1,997	-2,130
CF from Fin. Activity	-4,716	6,315	-2,314	-598	-938	-3,412	-6,256	-4,056
Inc/Dec of Cash	855	564	822	-709	3,826	-2,038	-2,172	-1,235
Opening Balance	1,637	2,492	2,619	3,442	2,733	6,559	3,933	1,761
Other Bank Balances		-436				-588		
Closing Balance	2,492	2,619	3,442	2,733	6,559	3,933	1,761	526

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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.