

India

**ADD** (no change)

Consensus ratings\*: Buy 14 Hold 2 Sell 1

Current price:	Rs1,242
Target price:	Rs1,543
Previous target:	Rs1,575
Up/downside:	24.2%
InCred Research / Consensus:	3.6%
Reuters:	KAPT.NS
Bloomberg:	KPIL IN
Market cap:	US\$2,778m
	Rs201,693m
Average daily turnover:	US\$8.8m
	Rs638.2m
Current shares o/s:	162.4m
Free float:	8.1%
*Source: Bloomberg	

**Key changes in this note**

- We cut FY25F-27F revenue estimates by 1%-3% and PAT estimates by 1%-6%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(11.8)	(8.4)	94.1
Relative (%)	(7.5)	(7.2)	54.8

Major shareholders	% held
ICICI Pru Equity & Debt	9.5
SBI Small Cap	9.4
Kotak MF	6.5

**Research Analyst(s)**



**Arafat SAIYED**

T (91) 22 4161 1542

E arafat.saiyed@incredresearch.com

**Anirvan DIVAKERA**

T (91) 02241611548

E anirvan.divakera@incredresearch.com

# Kalpataru Projects International Limited

## T&D healthy; hiccups in water & railway biz

- 2Q EBITDA was at Rs4.4bn, up 19% YoY (16% QoQ), 8% above our estimate & 14% above consensus. The EBITDA margin was up 70bp YoY at 8.9%.
- YTD order inflow was Rs119bn, including significant T&D orders and a large inflow of domestic T&D contracts, while the order book stood at Rs606bn.
- We cut FY25F-27F revenue by 1%-3% and PAT by 1%-6%. We maintain our ADD rating with a lower target price of Rs1,543 (Rs1,575 earlier).

### Muted revenue growth due to weak water and railway businesses

Consolidated 2QFY25 revenue of Kalpataru Projects International (KPIL) grew by 9% YoY (+8% QoQ) to Rs49.3bn, 3% below our estimate and 7% above Bloomberg or BB consensus estimate. Growth was driven by T&D (+26%) B&F (19%) and oil & gas (170%) segments while railway (-40%) and water (-43%) segments restricted the growth. EBITDA came in at Rs4.4bn, up 19% YoY (16% QoQ), 8% above our estimate and 14% above the BB consensus estimate. The EBITDA margin was up 70bp YoY at 8.9% (+65bp QoQ) led by lower other expenses. PAT jumped 40% YoY (50% QoQ) to Rs1.3bn, ~13% above our estimate and 2% below the BB consensus estimate.

### Order book remains healthy

YTD order inflow stood at Rs119bn, including significant T&D orders and a large inflow of domestic T&D contracts, while the order book was at Rs606bn, largely concentrated in the T&D space. KPIL's L1 status in orders includes orders worth Rs70bn comprising Rs50bn from the domestic market, with a significant focus on the domestic T&D sector. Management is optimistic about achieving a high revenue growth rate in 2HFY25F, although challenges in the water segment could impact annual targets slightly. KPIL maintained its guidance on order inflow of Rs220-230bn for FY25F. T&D and other key segments continue to perform well, and KPIL expects a better margin due to the improved order mix over the last two years. The company maintains a positive margin outlook in the T&D business with a higher margin.

### Maintain ADD rating with a lower target price of Rs1,543

The T&D market witnessed a significant improvement, driven by the rising adoption of renewables and the increase in power demand, leading to infrastructure development and accreditation. We cut FY25F-27F revenue estimates by 1%-3% and PAT estimates by 1%-6%, factoring in lower execution in railway and water segments. We value the standalone business at 22x Sep 2026F EPS and investments at Rs40/share. We retain our ADD rating on KPIL with a lower target price of Rs1,543 (Rs1,575 earlier). Higher commodity prices and higher working capital & debt levels, coupled with the order inflow slowdown, are downside risks.

### Financial Summary

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	143,370	167,600	188,250	226,240	259,689
Operating EBITDA (Rsm)	11,600	13,660	16,523	20,137	22,745
Net Profit (Rsm)	5,300	5,330	7,502	10,266	11,900
Core EPS (Rs)	29.3	35.0	46.2	63.2	73.3
Core EPS Growth	66.1%	19.3%	32.1%	36.8%	15.9%
FD Core P/E (x)	42.33	35.48	26.87	19.63	16.94
DPS (Rs)	6.3	7.0	7.5	8.0	8.5
Dividend Yield	0.51%	0.57%	0.61%	0.65%	0.69%
EV/EBITDA (x)	19.18	16.53	13.63	11.38	10.15
P/FCFE (x)	56.23	120.77	25.99	67.45	69.00
Net Gearing	39.0%	42.0%	36.8%	37.8%	34.9%
P/BV (x)	3.79	3.51	3.16	2.77	2.42
ROE	9.3%	10.3%	12.4%	15.0%	15.3%
% Change In Core EPS Estimates			(8.80%)	(2.39%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## 2QFY25 conference-call highlights

- **Overview:** KPIL reported a higher single-digit revenue growth led by enhanced availability and moderated working capital needs. The company witnessed traction in key verticals like transmission and distribution (T&D), buildings and factories (B&F), and oil and gas. However, the water business remained subdued, impacting its overall growth marginally.
- **Order book and inflow:** Total YTD orders stood at Rs119bn, including significant T&D orders and a large inflow of domestic T&D contracts. The order book stands at Rs606bn, largely concentrated in the T&D segment. KPIL's L1 status orders include orders worth Rs70bn, comprising Rs50bn from the domestic market, with a significant focus on the domestic T&D segment.
- **Guidance on revenue growth:** KPIL is optimistic about achieving a high revenue growth rate in 2HFY25F, although challenges in the water segment could impact the annual target slightly. KPIL maintains its guidance on order inflow of Rs220-230bn in FY25F. Nevertheless, T&D and other key segments continue to perform well, and KPIL expects a better margin due to the improved order mix over the last two years. KPIL maintains a positive margin outlook in the T&D business, where the margin is trending upwards, compared to the past few years. Management indicated its focus on healthy margin and profitability, especially as the order visibility remains strong.
- **Non-core assets:** Shubham Logistics business, which achieved a PBT-positive performance, aims at a potential sellout by 3QFY25F. The company has sold its stake in Vindhyachal Expressway at an EV of Rs7.8bn, with expected gains of Rs1bn on exit, and the deal is expected over the next six-to-nine months. The company will use these funds for meeting its working capital needs. As regards road assets, the average revenue per day stood at Rs5.65m in 2QFY25 vs Rs5.72m in 2QFY24 and Rs6.36m in 1QFY25. Total investment in road BOOT assets stood at Rs8bn.
- **Geopolitical strategy:** Although there is no strategic shift towards the domestic market, KPIL recognizes that geopolitical tensions impact its international operations. Europe remains a priority market, with strong potential in Latin America and selective engagement in Africa and the Middle East. KPIL is cautious about the Middle East T&D segment due to profitability constraints.
- **Borrowings:** The company's debt is likely to be lower, despite healthy growth expected on the revenue front in 2HFY25F. It remains committed to keeping working capital days below 100 by 4QFY25F.
- **International T&D markets:** Growth is expected in KPIL's key markets, including Sweden and Brazil, with additional opportunities identified in CIS, Latin America, Africa, and the Middle East. Management noted that Europe and Latin America would be primary markets due to robust demand and stable returns.
- **Large project pipeline:** The company expects substantial orders in the HVDC segment, with 40-50% of project costs attributed to EPC activity. This segment is expected to contribute significantly over the coming quarters, bolstered by KPIL's collaborations with private sector players.
- **Working capital:** Working capital requirement stood at 98 days in 2QFY25 vs. 94 days in 2QFY24 and 103 days in 1QFY25. Net debt stood at Rs37bn at the end of 2QFY25, from Rs32bn as of 2QFY24-end.
- **Funding plans and QIP:** The company has approved qualified institutional placement or QIP of Rs10bn to support its working capital needs, strengthen the balance sheet and support future growth initiatives.
  - **T&D business:** T&D revenue rose by 25% YoY due to strong execution. International subsidiaries like Linjemontage in Sweden and Fasttel in Brazil contributed significantly, with the Swedish unit doubling its revenue. KPIL sees a healthy margin in the domestic T&D pipeline and high visibility for the coming quarters, supported by government infrastructure projects.

- **B&F:** KPIL secured multiple high-value contracts in the B&F sector, including design-build projects for luxury housing and airports. This segment's order book has reached Rs45bn, marking a year of high-profile project wins, which are expected to support sustained growth. Management indicated that ongoing efforts to expand capabilities in high-margin segments, like luxury real estate and airport infrastructure, will continue.
- **Oil and gas:** KPIL's oil and gas division saw impressive growth, with revenue up by 170% YoY. The execution of large pipeline projects, including significant contracts with Saudi Aramco, has been a key driver, with these projects expected to reach their revenue peak in FY26F. The order book in this segment provides stable outlook, with further opportunities expected in the Middle East, where KPIL is well-positioned for upcoming projects despite a competitive landscape.
- **Water business:** KPIL reported a revenue decline of 43% YoY in this segment due to delay in client payments and project completion problems, especially in certain states. However, KPIL expects an improvement in 3QFY25F as the payment cycle normalizes in most regions. The order book remains strong at Rs105bn, indicating long-term growth potential, although a full recovery depends on state-level clearances and project funding.
- **Railway business:** Revenue in the railway segment decreased by 40% YoY as KPIL adopted a cautious approach due to intense competition and project risks. Management's focus remains on completing the existing projects and minimizing capital deployment in this segment. Current projects are nearing completion, which should improve operational efficiency in coming quarters.
- **Urban infrastructure:** Business grew by 31% YoY, led by a strong backlog, particularly in metro rail and elevated road corridor projects. Key projects include elevated and underground metro rail lines, flyovers, and tunneling works. The order book stands at Rs26bn, giving visibility for the next few years and establishing a solid pipeline for revenue growth in urban projects.

**Figure 1: Quarter snapshot**

Consolidated (Rs m)	2QFY25	2QFY24	YoY (%)	1Q FY25	QoQ (%)	1HFY25	1HFY24	YoY (%)
<b>Total Revenue</b>	<b>49,299</b>	<b>45,180</b>	<b>9.1%</b>	<b>45,870</b>	<b>7.5%</b>	<b>95,169</b>	<b>87,590</b>	<b>8.7%</b>
Raw Material Costs	37,282	34,350	8.5%	34,700	7.4%	71,982	66,090	8.9%
Employee Expenses	5,019	4,130	21.5%	4,420	13.6%	9,439	8,230	14.7%
Other Expenses	2,615	3,000	(12.8%)	2,970	(12.0%)	5,585	5,750	(2.9%)
Total Expenditure	44,916	41,480	8.3%	42,090	6.7%	87,006	80,070	8.7%
<b>EBIDTA</b>	<b>4,384</b>	<b>3,700</b>	<b>18.5%</b>	<b>3,780</b>	<b>16.0%</b>	<b>8,164</b>	<b>7,520</b>	<b>8.6%</b>
Depreciation	1,172	1,130	3.8%	1,190	(1.5%)	2,362	2,330	1.4%
<b>EBIT</b>	<b>3,211</b>	<b>2,570</b>	<b>24.9%</b>	<b>2,590</b>	<b>24.0%</b>	<b>5,801</b>	<b>5,190</b>	<b>11.8%</b>
Interest	1,501	1,370	9.6%	1,440	4.3%	2,941	2,520	16.7%
Other Income	171	120	42.1%	220	(22.5%)	391	300	30.2%
<b>PBT</b>	<b>1,880</b>	<b>1,320</b>	<b>42.4%</b>	<b>1,370</b>	<b>37.2%</b>	<b>3,250</b>	<b>2,970</b>	<b>9.4%</b>
Total Tax	625	420	48.7%	530	17.8%	1,155	940	22.8%
Tax Rate	33%	32%		39%		36%	32%	
<b>PAT</b>	<b>1,256</b>	<b>900</b>	<b>39.5%</b>	<b>840</b>	<b>49.5%</b>	<b>2,096</b>	<b>2,030</b>	<b>3.2%</b>
Adj. PAT	1,256	900	39.5%	840	49.5%	2,096	2,030	3.2%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 2: Margin and cost analysis**

Margin Analysis	2QFY25	2QFY24	YoY bp chg	1QFY25	QoQ bp chg	1HFY25	1HFY24	YoY bp chg
Raw Material Costs	75.6%	76.0%	-41	75.6%	-3	75.6%	75.5%	18
Employee Expenses	10.2%	9.1%	104	9.6%	54	9.9%	9.4%	52
Other Expenses	5.3%	6.6%	-134	6.5%	-117	5.9%	6.6%	-70
<b>EBIDTA Margin</b>	<b>8.9%</b>	<b>8.2%</b>	<b>70</b>	<b>8.2%</b>	<b>65</b>	<b>8.6%</b>	<b>8.6%</b>	<b>-1</b>
EBIT Margin	6.5%	5.7%	83	5.6%	87	6.1%	5.9%	17
PBT Margin (%)	3.8%	2.9%	89	3.0%	83	3.4%	3.4%	2
NPM	2.5%	2.0%	55	1.8%	72	2.2%	2.3%	-12
Effective Tax Rate (%)	33.2%	31.8%	140	38.7%	-547	35.5%	31.6%	387
Gross Margin	24.4%	24.0%	41	24.4%	3	24.4%	24.5%	(18)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 3: Actuals Vs Estimates**

vs. InCred	2QFY25	2QFY25F	Diff.
Revenue	49,299	50,863	-3.1%
EBITDA	4,384	4,069	7.7%
Margin (%)	8.9%	8.0%	89 bps
PAT	1,256	1,111	13.0%

vs. Consensus	2QFY25	2QFY25C	Diff.
Revenue	49,299	45,964	7.3%
EBITDA	4,384	3,840	14.2%
Margin (%)	8.9%	8.4%	54 bps
PAT	1,256	1,280	-1.9%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 4: Segmental revenue**

Revenue break-up (Rs m)	2QFY25	2QFY24	YoY (%)	1Q FY25	QoQ (%)	1HFY25	1HFY24	YoY (%)
T&D	20,110	16,030	25.5%	18,430	9.1%	38,540	30,030	28.3%
B&F	14,170	11,940	18.7%	12,260	15.6%	26,430	21,950	20.4%
Water	5,470	9,640	-43.3%	7,040	-22.3%	12,510	18,660	-33.0%
Oil & Gas	4,630	1,710	170.8%	2,540	82.3%	7,170	3,860	85.8%
Railways	1,930	3,230	-40.2%	2,420	-20.2%	4,350	7,600	-42.8%
Urban Infrastructure	1,720	1,300	32.3%	1,810	-5.0%	3,530	2,840	24.3%
<b>Total Core Business</b>	<b>48,030</b>	<b>43,850</b>	<b>9.5%</b>	<b>44,500</b>	<b>7.9%</b>	<b>92,530</b>	<b>84,940</b>	<b>8.9%</b>
Others	1,330	1,050	26.7%	1,370	-2.9%	2,700	2,380	13.4%
<b>Total Cons. Revenue (Rs m)</b>	<b>49,360</b>	<b>44,900</b>	<b>9.9%</b>	<b>45,870</b>	<b>7.6%</b>	<b>95,230</b>	<b>87,320</b>	<b>9.1%</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 5: Order details**

Orders (Rs m)	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)
YTD Order inflow	1,18,650	1,21,780	-2.6%	70,150	69.1%
Order backlog	6,06,310	4,70,400	28.9%	5,71,950	6.0%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 6: Segmental order inflow and order book**

YTD Inflow	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)
T&D	59,860	53,583	11.7%	33,672	77.8%
B&F	45,320	43,841	3.4%	23,150	95.8%
Water	13,470	10,960	22.9%	13,329	1.1%
Oil & Gas	-	4,871	-	-	NA
Railways	-	8,525	-	-	NA
Urban Infrastructure	-	-	-	-	NA
<b>Total Inflow</b>	<b>1,18,650</b>	<b>1,21,780</b>	<b>-2.6%</b>	<b>70,150</b>	<b>69.1%</b>

Order Book	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)
T&D	2,22,690	1,71,730	29.7%	2,05,970	8.1%
B&F	1,31,560	99,420	32.3%	1,13,660	15.7%
Water	1,05,190	1,14,230	-7.9%	98,000	7.3%
Oil & Gas	84,740	14,920	468.0%	87,910	-3.6%
Railways	35,690	40,320	-11.5%	37,960	-6.0%
Urban Infrastructure	26,440	29,780	-11.2%	28,450	-7.1%
<b>Total</b>	<b>6,06,310</b>	<b>4,70,400</b>	<b>28.9%</b>	<b>5,71,950</b>	<b>6.0%</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 7: Standalone financials**

SA (Rs m)	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	1HFY25	1HFY24	YoY (%)
<b>Total Revenue</b>	<b>41,361</b>	<b>38,440</b>	<b>7.6%</b>	<b>37,220</b>	<b>11.1%</b>	<b>78,581</b>	<b>74,660</b>	<b>5.3%</b>
Raw Material Costs	32,544	30,290	7.4%	28,530	14.1%	61,074	58,210	4.9%
Employee Expenses	3,270	2,800	16.8%	3,120	4.8%	6,390	5,800	10.2%
Other Expenses	2,063	2,270	(9.1%)	2,430	(15.1%)	4,493	4,430	1.4%
<b>Total Expenditure</b>	<b>37,877</b>	<b>35,360</b>	<b>7.1%</b>	<b>34,080</b>	<b>11.1%</b>	<b>71,957</b>	<b>68,440</b>	<b>5.1%</b>
<b>EBIDTA</b>	<b>3,485</b>	<b>3,080</b>	<b>13.1%</b>	<b>3,140</b>	<b>11.0%</b>	<b>6,625</b>	<b>6,220</b>	<b>6.5%</b>
Depreciation	914	880	3.9%	930	(1.7%)	1,844	1,810	1.9%
<b>EBIT</b>	<b>2,570</b>	<b>2,200</b>	<b>16.8%</b>	<b>2,210</b>	<b>16.3%</b>	<b>4,780</b>	<b>4,410</b>	<b>8.4%</b>
Interest	998	850	17.4%	860	16.1%	1,858	1,600	16.1%
Other Income	264	250	5.6%	290	(8.9%)	554	540	2.6%
<b>PBT</b>	<b>1,836</b>	<b>1,600</b>	<b>14.8%</b>	<b>1,640</b>	<b>12.0%</b>	<b>3,476</b>	<b>3,350</b>	<b>3.8%</b>
Total Tax	513	470	9.1%	470	9.1%	983	960	2.4%
<b>PAT</b>	<b>1,323</b>	<b>1,130</b>	<b>17.1%</b>	<b>1,170</b>	<b>13.1%</b>	<b>2,493</b>	<b>2,390</b>	<b>4.3%</b>
<b>Adj. PAT</b>	<b>1,323</b>	<b>1,130</b>	<b>17.1%</b>	<b>1,170</b>	<b>13.1%</b>	<b>2,493</b>	<b>2,390</b>	<b>4.3%</b>
<b>EPS (Rs)</b>	<b>8.1</b>	<b>7.0</b>	<b>17.1%</b>	<b>7.2</b>	<b>13.1%</b>	<b>15.3</b>	<b>14.7</b>	<b>4.3%</b>
<b>Margin Analysis</b>	<b>2QFY25</b>	<b>2QFY24</b>	<b>YoY bp chg</b>	<b>1Q FY25</b>	<b>QoQ bp chg</b>	<b>1HFY25</b>	<b>1HFY24</b>	<b>YoY bp chg</b>
Raw Material Costs	78.7%	78.8%	-12	76.7%	203	77.7%	78.0%	-25
Employee Expenses	7.9%	7.3%	62	8.4%	-48	8.1%	7.8%	36
Other Expenses	5.0%	5.9%	-92	6.5%	-154	5.7%	5.9%	-22
<b>EBIDTA Margin</b>	<b>8.4%</b>	<b>8.0%</b>	<b>41</b>	<b>8.4%</b>	<b>-1</b>	<b>8.4%</b>	<b>8.3%</b>	<b>10</b>
EBIT Margin	6.2%	5.7%	49	5.9%	28	6.1%	5.9%	18
PBT Margin (%)	4.4%	4.2%	28	4.4%	3	4.4%	4.5%	-6
NPM	3.2%	2.9%	26	3.1%	6	3.2%	3.2%	-3
Effective Tax Rate (%)	27.9%	29.4%	(144)	28.7%	-72	28.3%	28.7%	(38)

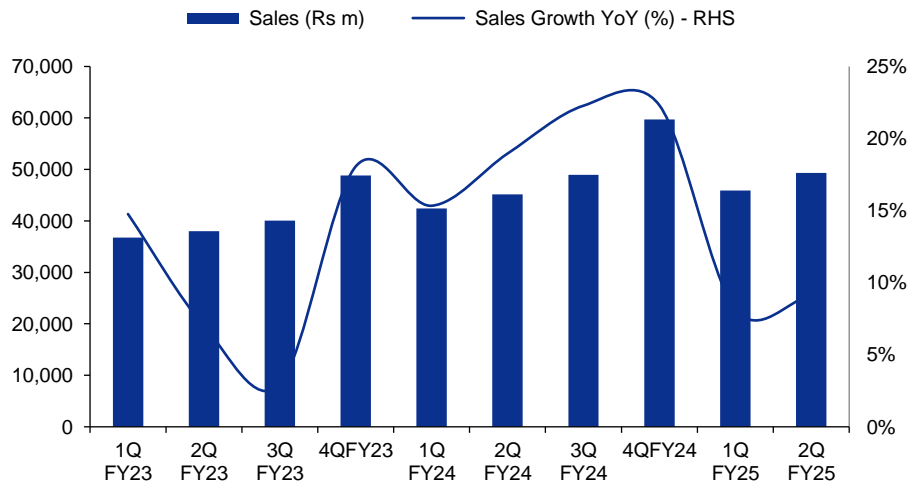
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 8: Our revised earnings estimates**

(Rs m)	New Estimates			Old Estimates			Change		
	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
Revenue	1,88,250	2,26,240	2,59,689	1,93,673	2,29,093	2,62,433	-2.8%	-1.2%	-1.0%
EBITDA	16,523	20,137	22,745	16,743	20,303	23,115	-1.3%	-0.8%	-1.6%
Core PAT	7,507	10,273	11,906	7,989	10,423	12,212	-6.0%	-1.4%	-2.5%

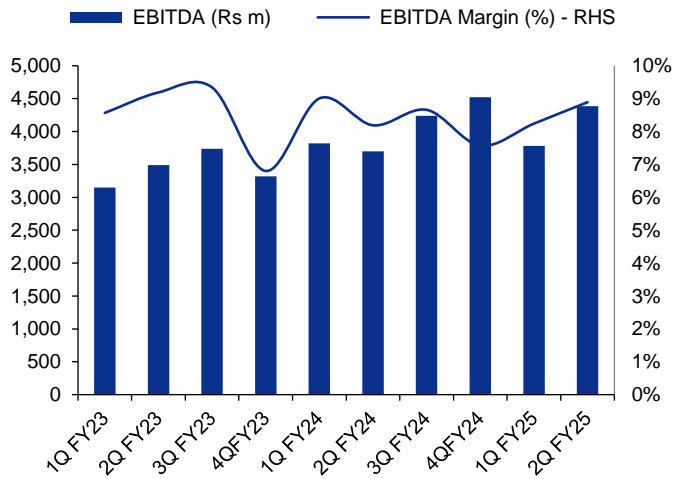
SOURCE: COMPANY REPORTS, INCRED RESEARCH

**Figure 9: Quarterly revenue trend**



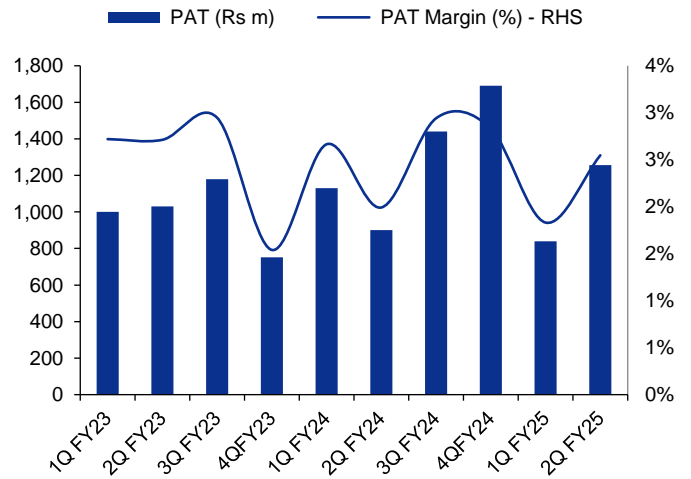
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 10: Quarterly EBITDA trend



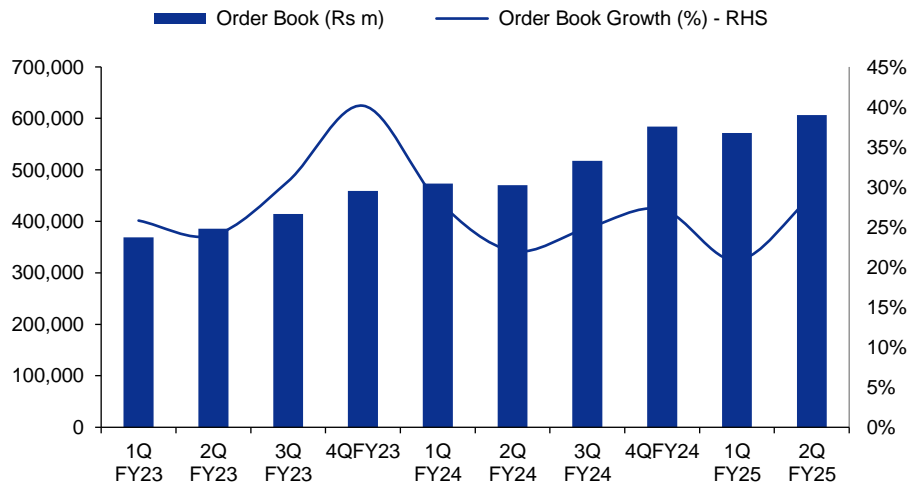
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: Quarterly PAT trend



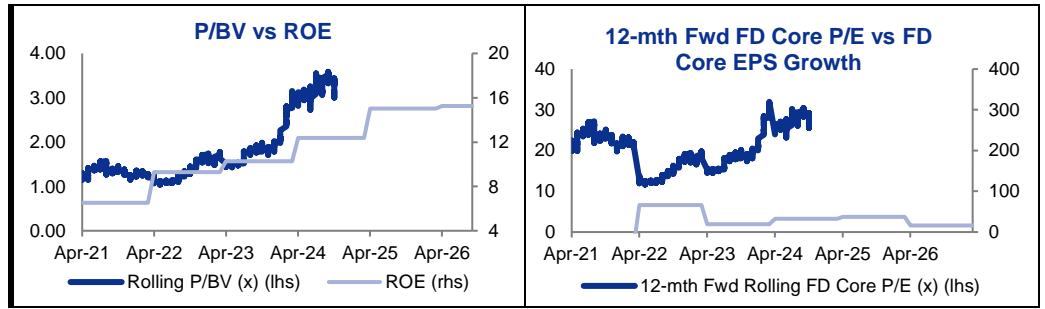
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 12: Healthy order book



SOURCE: INCRED RESEARCH, COMPANY REPORTS

**BY THE NUMBERS**



**Profit & Loss**

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>Total Net Revenues</b>	<b>143,370</b>	<b>167,600</b>	<b>188,250</b>	<b>226,240</b>	<b>259,689</b>
<b>Gross Profit</b>	<b>78,610</b>	<b>95,410</b>	<b>110,182</b>	<b>128,504</b>	<b>146,724</b>
<b>Operating EBITDA</b>	<b>11,600</b>	<b>13,660</b>	<b>16,523</b>	<b>20,137</b>	<b>22,745</b>
Depreciation And Amortisation	(2,950)	(3,680)	(3,701)	(4,083)	(4,450)
<b>Operating EBIT</b>	<b>8,650</b>	<b>9,980</b>	<b>12,822</b>	<b>16,055</b>	<b>18,295</b>
Financial Income/(Expense)	(2,940)	(3,370)	(3,915)	(3,597)	(3,777)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	1,120	1,130	1,203	1,323	1,456
<b>Profit Before Tax (pre-EI)</b>	<b>6,830</b>	<b>7,740</b>	<b>10,110</b>	<b>13,781</b>	<b>15,973</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>6,830</b>	<b>7,740</b>	<b>10,110</b>	<b>13,781</b>	<b>15,973</b>
Taxation	(2,070)	(2,060)	(2,608)	(3,514)	(4,073)
Exceptional Income - post-tax	540	(350)			
<b>Profit After Tax</b>	<b>5,300</b>	<b>5,330</b>	<b>7,502</b>	<b>10,266</b>	<b>11,900</b>
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>5,300</b>	<b>5,330</b>	<b>7,502</b>	<b>10,266</b>	<b>11,900</b>
Recurring Net Profit	4,760	5,680	7,502	10,266	11,900
<b>Fully Diluted Recurring Net Profit</b>	<b>4,760</b>	<b>5,680</b>	<b>7,502</b>	<b>10,266</b>	<b>11,900</b>

**Cash Flow**

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>EBITDA</b>	<b>6,830</b>	<b>7,740</b>	<b>10,110</b>	<b>13,781</b>	<b>15,973</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(4,512)	(5,800)	(2,990)	(11,544)	(14,236)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	2,950	3,680	3,701	4,083	4,450
Other Operating Cashflow	427	1,160			
Net Interest (Paid)/Received	2,433	2,390	3,915	3,597	3,777
Tax Paid	(2,534)	(2,030)	(2,608)	(3,514)	(4,073)
<b>Cashflow From Operations</b>	<b>5,594</b>	<b>7,140</b>	<b>12,128</b>	<b>6,403</b>	<b>5,891</b>
Capex	(7,078)	(2,890)	(4,968)	(3,971)	(3,474)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments	(269)	(190)	(1,031)	(1,154)	(1,293)
Other Investing Cashflow	2,880	(1,590)			
<b>Cash Flow From Investing</b>	<b>(4,467)</b>	<b>(4,670)</b>	<b>(5,999)</b>	<b>(5,126)</b>	<b>(4,767)</b>
Debt Raised/(repaid)	2,460	(800)	1,632	1,713	1,799
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(1,022)	(1,140)	(1,221)	(1,302)	(1,384)
Preferred Dividends					
Other Financing Cashflow	(3,669)	180	(3,915)	(3,597)	(3,777)
<b>Cash Flow From Financing</b>	<b>(2,231)</b>	<b>(1,760)</b>	<b>(3,505)</b>	<b>(3,187)</b>	<b>(3,362)</b>
Total Cash Generated	(1,104)	710	2,624	(1,910)	(2,238)
<b>Free Cashflow To Equity</b>	<b>3,587</b>	<b>1,670</b>	<b>7,760</b>	<b>2,990</b>	<b>2,923</b>
<b>Free Cashflow To Firm</b>	<b>(1,306)</b>	<b>80</b>	<b>2,214</b>	<b>(2,320)</b>	<b>(2,653)</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**BY THE NUMBERS...cont'd**

<b>Balance Sheet</b>					
<b>(Rs mn)</b>	<b>Mar-23A</b>	<b>Mar-24A</b>	<b>Mar-25F</b>	<b>Mar-26F</b>	<b>Mar-27F</b>
Total Cash And Equivalents	8,581	8,490	10,770	8,503	8,673
Total Debtors	49,439	53,930	64,469	77,479	92,492
Inventories	10,874	12,400	14,441	17,355	19,921
Total Other Current Assets	69,637	89,530	89,226	108,471	124,508
<b>Total Current Assets</b>	<b>138,530</b>	<b>164,350</b>	<b>178,906</b>	<b>211,809</b>	<b>245,595</b>
Fixed Assets	17,251	16,678	17,945	17,834	16,858
Total Investments	8,741	8,590	9,621	10,775	12,068
Intangible Assets	201	200	200	200	200
Total Other Non-Current Assets	12,656	10,080	10,584	11,113	8,891
<b>Total Non-current Assets</b>	<b>38,849</b>	<b>35,548</b>	<b>38,350</b>	<b>39,922</b>	<b>38,017</b>
Short-term Debt	20,101	21,190	22,250	23,362	24,530
Current Portion of Long-Term Debt					
Total Creditors	45,825	52,360	60,343	72,521	81,820
Other Current Liabilities	39,687	50,950	51,575	61,984	71,148
<b>Total Current Liabilities</b>	<b>105,613</b>	<b>124,500</b>	<b>134,168</b>	<b>157,866</b>	<b>177,498</b>
Total Long-term Debt	9,245	11,440	12,012	12,613	13,243
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	5,484	1,978	2,132	2,298	2,478
<b>Total Non-current Liabilities</b>	<b>14,729</b>	<b>13,418</b>	<b>14,144</b>	<b>14,911</b>	<b>15,721</b>
Total Provisions	3,840	4,480	5,158	6,198	7,115
<b>Total Liabilities</b>	<b>124,182</b>	<b>142,398</b>	<b>153,470</b>	<b>178,976</b>	<b>200,333</b>
Shareholders Equity	53,197	57,500	63,786	72,756	83,279
Minority Interests					
<b>Total Equity</b>	<b>53,197</b>	<b>57,500</b>	<b>63,786</b>	<b>72,756</b>	<b>83,279</b>

<b>Key Ratios</b>					
	<b>Mar-23A</b>	<b>Mar-24A</b>	<b>Mar-25F</b>	<b>Mar-26F</b>	<b>Mar-27F</b>
Revenue Growth	15.6%	16.9%	12.3%	20.2%	14.8%
Operating EBITDA Growth	36.0%	17.8%	21.0%	21.9%	12.9%
Operating EBITDA Margin	8.1%	8.2%	8.8%	8.9%	8.8%
Net Cash Per Share (Rs)	127.84	148.61	144.62	169.11	179.14
BVPS (Rs)	327.48	353.97	392.67	447.89	512.67
Gross Interest Cover	2.94	2.96	3.28	4.46	4.84
Effective Tax Rate	30.3%	26.6%	25.8%	25.5%	25.5%
Net Dividend Payout Ratio	21.5%	20.1%	16.3%	12.7%	11.6%
Accounts Receivables Days	115.23	112.56	114.78	114.51	119.45
Inventory Days	56.55	58.84	62.75	59.37	60.22
Accounts Payables Days	235.00	248.22	263.46	248.09	249.34
ROIC (%)	8.7%	9.4%	11.3%	12.3%	12.5%
ROCE (%)	10.9%	11.6%	13.6%	15.5%	15.9%
Return On Average Assets	4.2%	4.3%	5.0%	5.5%	5.5%

SOURCE: INCRED RESEARCH, COMPANY REPORTS



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Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.  
**Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.  
**Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

##### **Sector Ratings**

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.  
**Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.  
**Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

##### **Country Ratings**

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.  
**Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.  
**Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.