

Q4FY25 Update | Infrastructure | 25 May 2025

# H.G. Infra Engineering Ltd

**Margin weakened on provisions; Prospects remain bright!**

H.G. Infra Engineering Ltd (HG Infra) has unveiled a mixed set of results for Q4FY25, wherein revenue has risen at a healthy rate, although margins have fallen short of expectations. The management has pointed out that the lower margins are primarily linked to certain provisions undertaken towards few projects. That being stated, the outlook suggests stability in the margin at ~15-16%. Additionally, execution is expected to maintain its robust momentum on the healthy order book position, with management projecting ~17-18% YoY revenue growth for FY26 and ~15% for FY27. Also, inflows are projected to remain elevated, on the expectations of conversion of strong project pipeline into orders, along with ongoing diversification efforts. However, the company's borrowings have increased mainly due to rising working capital needs for new projects and solar-related initiatives. Nonetheless, it is anticipated that these borrowings to stabilize by FY26-end with project completions. The monetization of four HAM has been completed with most funds received, and discussions have begun for six incremental HAM assets nearing completion. Overall, the outlook is optimistic, and we maintain our BUY rating on the stock.

## Q4FY25 performance marked by healthy revenue growth, although margins have weakened

- Revenue from operation improved by 20.7% YoY and 30.8% QoQ to ~Rs19.7bn, primarily supported by improved execution on its healthy order book position. Key projects such as Ganga Expressway, Khammam-Devarapalle, Raipur-Visakhapatnam and solar-related jobs were instrumental in achieving this growth.
- The gross margin has declined by 121 bps YoY and 293 bps QoQ, primarily due to considerable surge in raw material costs. This, along with increased other expenses (on certain provisions), holds the key for a reduction in the EBITDA margin to 14.6% (down 160 bps YoY and 198bps QoQ). Consequently, EBITDA has increased by 8.8% YoY and 15.1% QoQ.
- On a net basis, the reported PAT increased by 32.8% YoY and 55.5% QoQ to Rs2.1bn, primarily driven by healthy operational performance, increased other income, and a reduced tax rate. Additionally, the company recorded an exceptional gain of Rs574mn arising from the monetization of a HAM asset. Adjusted for this exceptional item, the PAT experienced a growth of 5.9% YoY and 24.0% QoQ. However, the adjusted PAT could have been even higher if it were not for the sharp rise in interest expenses.

**Outlook and Valuation:** HG Infra is positioned favourably to achieve 15.1% revenue CAGR over FY25-27E, to be driven by continued execution momentum on its healthy existing order book position and expectations of improved inflows. Further, margins are projected to remain elevated, with our expectation at 15.5% in FY27. Consequently, EBITDA is expected to rise at a CAGR of 14.2%. Additionally, we foresee a 14.7% (adj.) PAT CAGR over FY25-27E, aided by managed depreciation and finance costs. At the CMP, the stock (excl. investments) is trading at 6.7x FY27E P/E. Based on a SOTP methodology, our target price is set at Rs1,872/share. We continue to recommend a BUY.

Standalone (Rs mn)	Q4FY25	Q4FY24	YoY (%)	Q3FY25	QoQ(%)	Q4FY25E	Var. (%)
Net Sales	19,730	16,345	20.7	15,085	30.8	19,171	2.9
Operating Cost	16,851	13,699	23.0	12,585	33.9		
EBITDA	2,879	2,646	8.8	2,501	15.1	3,075	(6.4)
EBITDA Margin (%)	14.6	16.2	(160) bps	16.6	(198) bps	16.0	
Depreciation	420	380	10.7	362	16.0		
Interest	415	195	113.1	298	38.9		
Other income	64	46	40.1	24	168.3		
Exceptional items	574	-	NA	-	NA		
PBT	2,682	2,117	26.7	1,864	43.9		
Provision for tax	558	518	7.8	498	12.1		
Tax rate (%)	20.8	24.5	(363) bps	26.7	(590) bps		
Reported PAT	2,124	1,600	32.8	1,366	55.5	1,773	19.8
RPAT Margin (%)	10.8	9.8	98 bps	9.1	171 bps		
Adjusted PAT	1,693	1,600	5.9	1,366	24.0	1,773	(4.5)

Source: Company, SMIFS research

Y/E Mar (Rs mn)	Revenue	YoY (%)	EBITDA	EBITDA margin (%)	Adj PAT	YoY (%)	Adj EPS	RoE (%)	RoCE (%)	Adj P/E (x)*	EV/EBITDA (x)*
FY23	44,185	22.2	7,103	16.1	4,214	24.4	64.7	26.8	23.6	10.8	6.6
FY24	51,217	15.9	8,220	16.0	4,645	10.2	71.3	22.7	20.8	12.7	7.1
FY25	60,519	18.2	9,507	15.7	5,337	14.9	81.9	20.5	18.4	13.9	8.5
FY26E	69,710	15.2	10,878	15.6	5,978	12.0	91.7	18.8	16.6	12.4	7.4
FY27E	80,122	14.9	12,399	15.5	7,025	17.5	107.8	18.4	16.6	10.6	6.4

Source: Company, SMIFS Research Estimates; \*Not adjusted for investments



Rating: **BUY** Return: **64.5%**  
Current Price: **1,138** Target Price: **1,872**

### Earlier recommendation

Previous Rating: Buy  
Previous Target Price: 1,914

Source: SMIFS Research

### Market data

Bloomberg: HGINFRA: IN  
52-week H/L (Rs): 1,880/921  
Mcap (Rs bn/USD Bn): 74.2/0.9  
Shares outstanding (mn)\*: 65.2  
Free float: 28.2%  
Avg. daily vol (3M): 110k  
Face Value (Rs): 10.0

Source: Bloomberg, SMIFS Research

### Shareholding pattern (%)

	Mar-25	Dec-24	Sep-24	Jun-24
Promoter	71.8	71.8	71.8	74.5
FIIIs	2.9	2.8	2.6	2.0
DIIIs	12.0	12.1	12.7	12.1
Public/others	13.3	13.3	12.9	11.4

### Promoter pledging (%)

Pledging	-	-	-	-
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Source: BSE

### Price performance (%) \*

	1M	3M	12M	36M
NIFTY 50	2.2	9.0	8.2	53.3
NIFTY 500	2.4	10.1	6.0	64.7
HGINFRA: IN	1.2	2.6	-24.7	93.4

\*as on 23<sup>rd</sup> May'25; Source: Ace Equity, SMIFS research

### 3 Year Price Performance Chart



Source: BSE

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## Q4FY25— Key takeaways from the management call

- Order book position:** The order book is valued at ~Rs152.8bn at FY25-end, providing near term visibility with assurance of ~2.5x. Additionally, the company has secured an order worth ~Rs6.7bn in Battery Energy storage system post 31<sup>st</sup> Mar'25, which strengthen its order book further. Having said that, the Roads (HAM) segment has contributed 36.4% to FY25-end order backlog, with Roads (EPC) at 31.6%, and other infrastructure sectors (including Solar, railways, and metro-rail) at 32.0%. Geographically, Maharashtra accounts for ~33% of the order backlog, with Jharkhand following at ~15%, Gujarat at ~11%, Uttar Pradesh also at ~11%, and Delhi at ~7%, among other states.
- Inflows and order pipeline:** HG Infra has effectively secured order inflows totaling ~Rs88bn during FY25. The key contracts include: a) the Nagpur-Chandrapur road EPC project (Packages NC-04 and NC-05) with a combined value of ~Rs41.4bn, b) an elevated corridor HAM project in Gujarat worth ~Rs7.0bn, c) the Kosi Parikrama Marg (Package - 6) HAM project in Uttar Pradesh with an EPC value of ~Rs6.8bn, d) a solar plant project from Ultra Vibrant, amounting to ~Rs4.1bn, and e) the New Delhi Station redevelopment project (the company's share is Rs10.8bn; which includes the construction of an elevated road: ~Rs8.0bn and MEP related work: ~Rs2.8bn). Ahead, the company has outlined a goal of securing projects worth ~Rs110bn in FY26 (70% from road projects and 30% from non-road sectors such as solar, BESS, metro-rail, airports, and electrical – T&D, among others). Currently, it has submitted bids for projects valued at Rs160bn within its targeted sector (with results still pending), while the pipeline remains robust from NHAI, amounting to ~Rs800bn.
- Revenue and margin guidance:** The company aimed for a YoY growth rate of 17-18% in FY25 and has successfully reached this target, reporting an 18.2% in FY25 (to Rs60.5bn). Ahead, the management is looking forward to sustained execution momentum, with a goal of achieving ~17-18% YoY growth for FY26 (effectively aiming for revenue to be ~Rs70bn in FY26) and ~15% YoY growth for FY27 (with a target revenue of ~Rs80bn in FY27). EBITDA margin is expected to remain at ~15-16% based on current order book mix.
- Update on key Road - EPC projects:** The total EPC order book amounts to ~Rs48.9bn as of FY25-end. The significant projects include: a) Ganga Expressway: This project, original valued at Rs44.2bn, has achieved over 90% completion as of 31<sup>st</sup> Mar'25, and is anticipated to be completed in Q2 FY26; b) Karala-Kanjhawala UER -1: This project has been completed and is expected to receive the Certificate of Completion shortly; c) Kalimandir-Dimma Chowk: This execution in the project was initiated in Sept'24 and is currently in the early stages of execution, having reached ~8.2% completion; d) Neelmangala-Tumkur: Progress on this project has been impeded by land availability issues in the past. Nevertheless, a settlement agreement was reached with the NHAI in Dec'24, which involved the de-scoping of certain Right of Way sections. Consequently, the project value has been adjusted to ~Rs6.5bn, down from the previous estimate of Rs8.4bn. At present, management has reported that the project is gaining execution momentum and has achieved 34.9% completion.
- Update on key Road - HAM projects:** The total HAM order book is estimated to be ~Rs55.6bn as at FY25-end. The key projects include: a) Karnal Munak Ring Road: This project is progressing in line with the planned schedule, having achieved a completion rate of 52.1% by 31<sup>st</sup> Mar'25, and is anticipated to be finalized in Q3 FY26; b) Raipur-Visakhapatnam (AD-1, OD-5, OD-6): The packages are currently in advanced stages of completion and are expected to be finished by Q2 FY26; c) Khammam-Davarapalle (Package -I and -II): The advancement of this project is proceeding smoothly, with ~80% completion, and it is projected to be completed by Q2 FY26; d) Chennai Tirupati (Package-II): This project received its appointed date in Dec'24, and execution has begun accordingly. The current progress is at ~8.4% and is expected to gain momentum moving forward. e) Kosi Parikrama- Ayodhya project (pkg-VI): The concession agreement is anticipated to be signed shortly, with the appointed date expected to be secured in Q4 FY26.
- Appointed dates in pending projects:** a) Nagpur-Chandrapur EPC (NC-04 and NC-05): Although the packages achieved L1 status in May'24, the issuance of the LoA has been delayed due to alignment modifications and the lack of available land. Nevertheless, management anticipates receiving work order in H1FY26; b) Narol junction to Sarkhej EPC: With land availability confirmed at ~100%, financial closure has also been successfully completed. The appointed date for this project is expected to be in Q2 FY26. c) Varanasi-Ranchi-Kolkata HAM (Package -10 and -13): The

packages are currently in advanced stages of land acquisition, and forest clearances have been obtained. Consequently, the appointed date for these packages is projected for Q2 FY26.

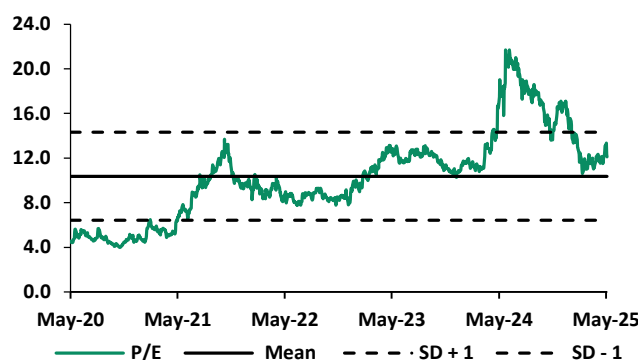
- Update on key railway projects:** a) Delhi Metro: The project's progress is deemed satisfactory, with a completion rate of ~72%, and it is reported to be advancing according to the scheduled timeline; b) Bilaspur Viaduct: This project has achieved a completion status of ~59.4% and is anticipated to reach completion in FY26; c) Kanpur Station redevelopment: Although an appointed date was secured in Oct'23, the project has encountered challenges related to design and land issues. Nevertheless, these challenges have largely been resolved, and a notable acceleration in execution is expected in the future. Currently, the project stands at ~21.4% completion; d) New Delhi station redevelopment: The company, in collaboration with its joint venture partner - DEC Infrastructure, has secured the project, which has a total cost of ~Rs22bn. The company holds a ~49% stake in the joint venture, resulting in an effective project cost of ~Rs10.76bn. The execution is expected to begin in upcoming quarter.
- Update on solar projects:** The company has been actively engaged in solar power plant initiatives and has successfully secured 183 solar projects to date. The total estimated EPC value of these projects is ~Rs22.4bn (for 700MW DC capacity). The land acquisition process for all projects has now been finalized, and Power Purchase Agreements (PPAs) have been executed with the respective DISCOMs. Having said that, the company has achieved a 63.8% completion rate, with the outstanding order book value at FY25-end amounting to ~Rs8.2bn. Furthermore, the debt funding for these initiatives is progressing positively, with ~70% of the required funding already sanctioned, while the remaining amount is anticipated to be approved in H1 FY26. The company projects that the margin for solar projects to remain high at ~18%, benefiting from favorable solar module prices. The execution of these projects is expected to be completed in FY26. Upon commissioning, the company anticipates generating annual revenue of ~Rs3.0bn.
- Update on Battery Energy Storage System projects:** The company has successfully obtained battery storage-related contracts in FY25 from NTPC Vidyut Vyapar Nigam Ltd and Gujarat Urja Vikas Nigam Ltd for a total of 435MW, with commissioning scheduled for Dec'26. The overall estimated value of this project is ~Rs9.7bn. Additionally, the company has recently secured a work order from Gujarat Urja Vikas Nigam Ltd in Apr'25 for which the estimated cost is ~Rs6.7bn. The completion is expected by Oct'27. Effectively, total project cost stands at Rs16.4bn. Further, the EPC margin is expected to be ~12-13% and a project IRR of 14-15%. Upon commissioning, the company anticipates ~Rs2.3bn of revenue from BESS projects.
- Equity Requirement:** The total equity requirement for the 11 HAM projects is estimated to be ~Rs16.6bn. The company has already invested ~Rs9.2bn by FY25-end. Ahead, it is expected that Rs3.6bn will be injected in FY26, Rs2.0bn in FY27, and balance in FY28. Furthermore, the total equity requirement for solar projects is estimated at ~Rs7.2bn. As of 31<sup>st</sup> Mar' 25, Rs4.5bn has been invested, with the remaining amount anticipated in FY26. Additionally, the company has an equity commitment of ~Rs3.0bn for BESS projects, which is divided into ~Rs1.2bn for FY26 and the remaining amount for FY27.
- Debt position:** The total gross debt reached ~Rs10.7bn at FY25-end, an increase from Rs4.5bn at FY24-end. This rise in debt is mainly attributed to need of funds for upfront module procurement for solar projects and working capital needs for newer projects. Having said, it is anticipated that the debt amount will normalize by FY26-end.
- Asset Monetization:** The company had successfully monetized three HAM projects: a) Gurgaon Sohna (Rajiv Chowk), b) Rewari Ateli Mandi, and c) Ateli Narnaul Bypass in FY24. For these projects, the company had received ~Rs3.2bn during FY24, with an additional ~Rs540mn received in Oct'24 following NHAI's approval concerning GST. Recently, in Feb'25, the fourth HAM asset, Rewari-Bypass (Package 4), has been transferred as per the signed SPA. Consequently, the total equity consideration of Rs5.03bn has been realized from the overall deal (with additional Rs200mn likely to accrue during FY26; on total equity investment of ~Rs3.7bn). Furthermore, the company has initiated discussions with potential buyers to monetize six additional HAM projects (total equity investment is estimated to be ~Rs9.9bn), namely Karnal Munak Ring Road, Raipur-Visakhapatnam (AD-1, OD-5, OD-6), and Khammam-Davarapalle (Package -I and -II). The company remains optimistic about concluding the deal and realizing the funds by FY26-end.

## Outlook and Valuation

A healthy order backlog, along with the expectation of significant inflows and diversification across both geographical and sectoral dimensions, is anticipated to propel the company's growth in the future. Moreover, the company's strong construction capabilities, bolstered by its internal design and execution teams, is likely to play a crucial role in this growth. Additionally, margins are projected to stabilize at 15.5% by FY27, based on the current order book. The low D/E ratio, reasonable working capital days, and robust return ratios further enhance its solid financial position.

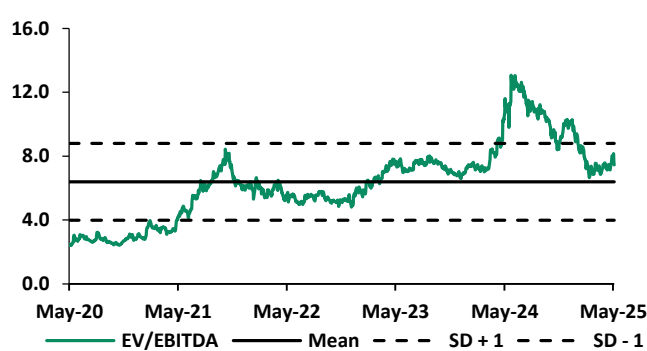
At CMP, the stock (excl. investments) is trading at a valuation of 8.7x FY26E P/E and 6.7x FY27E P/E. We continued to adopt the Sum-of-the-Parts valuation methodology. For this, we have assessed the core construction segment at 14x FY27E P/E. Additionally, hybrid annuity assets have been valued at 1x their FY27E book value, while solar and BESS assets are appraised at 70% of the expected equity investments. Consequently, core construction segment is valued at ~Rs1,509/share, with investments at ~Rs363/share. Thus, we maintain BUY rating on the stock with a target price of Rs1,872/share.

**Fig 1: 1-year forward P/E**



Source: AceEquity, SMIFS Research

**Fig 2: 1-year forward EV/EBITDA**



Source: AceEquity, SMIFS Research

**Fig 3: Change in Estimates**

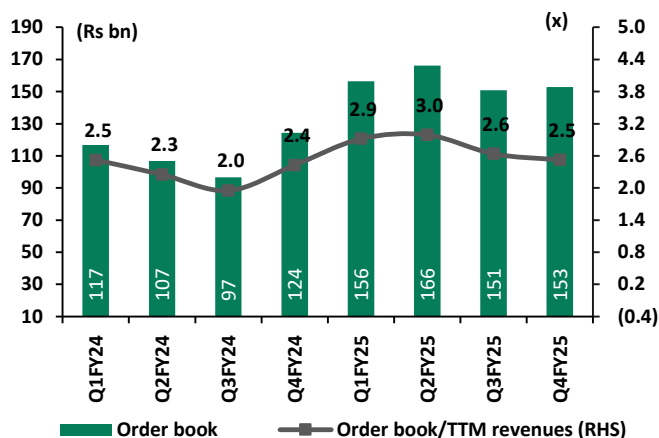
Rs mn	New Estimates		Old Estimates		Change (%)	
	FY26e	FY27e	FY26e	FY27e	FY26e	FY27e
Revenue	69,710	80,122	69,413	80,068	0.4	0.1
Gross profit	15,536	17,606	15,946	17,998	(2.6)	(2.2)
Gross profit margin (%)	22.3	22.0	23.0	22.5	(71) bps	(53) bps
EBITDA	10,878	12,399	10,992	12,399	(1.0)	-
EBITDA Margin (%)	15.6	15.5	15.8	15.5	(20) bps	(2) bps
APAT	5,978	7,025	6,124	6,998	(2.4)	0.4
Adj. EPS (Rs)	91.7	107.8	94.0	107.4	(2.4)	0.4

Source: Company, SMIFS research

Our revenue projections align closely with the guidance provided by management. As a result, the revenue forecasts remain predominantly stable. Nevertheless, we have adjusted our margin expectations for FY26 while keeping them unchanged for FY27, in accordance with management's guidance and the current order book composition. Additionally, we have revised our depreciation estimates based on guided capex and financing costs due to expected borrowings. Therefore, the PAT has been modified accordingly.

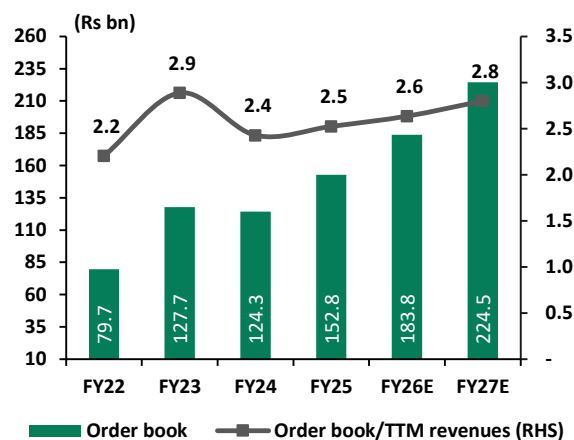
## Story In Charts

**Fig 4: Quarterly Order Book**



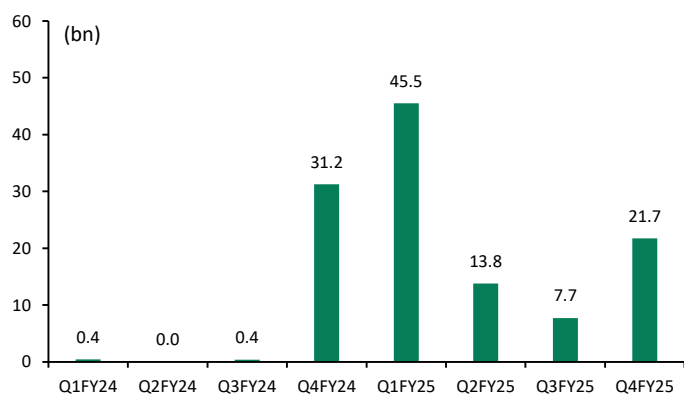
Source: Company, SMIFS Research

**Fig 5: Yearly Order Book**



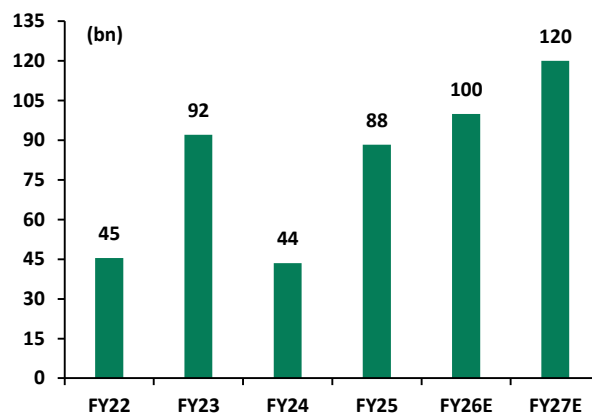
Source: Company, SMIFS Research Estimates

**Fig 6: Quarterly Order Inflows\***



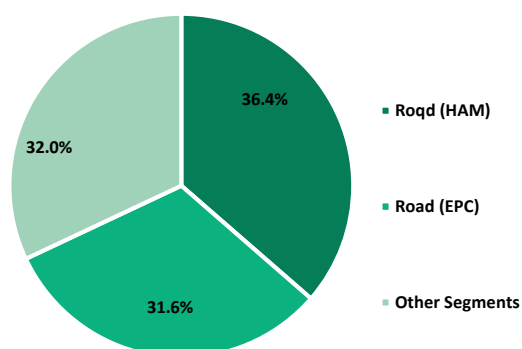
Source: Company, SMIFS Research; \*Calculated for recent quarters

**Fig 7: Yearly Order Inflows**



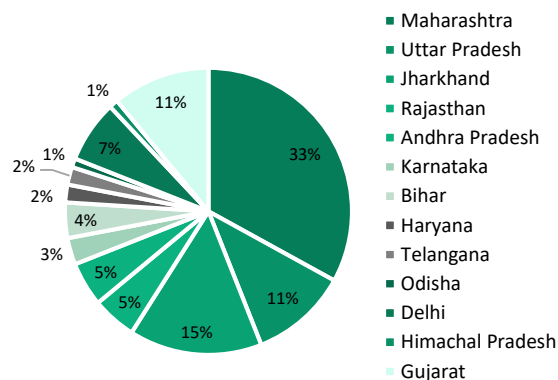
Source: Company, SMIFS Research Estimates

**Fig 8: Segment-wise order backlog**

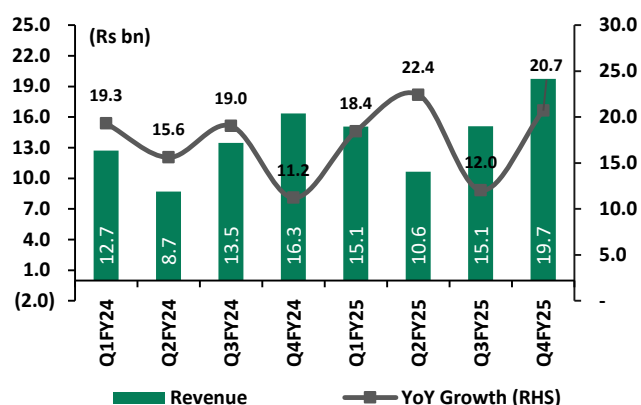


Source: Company, SMIFS Research

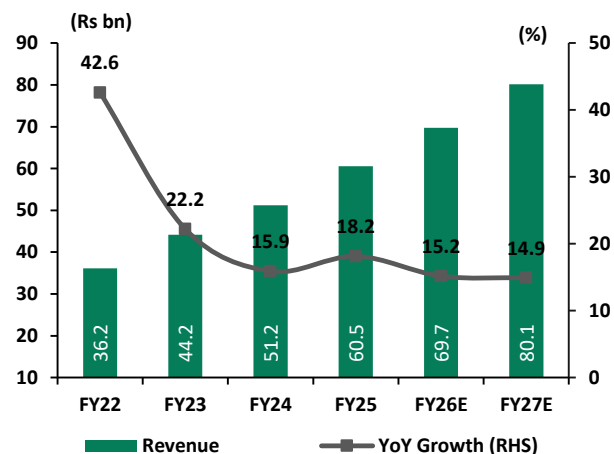
**Fig 9: State-wise order breakup\***



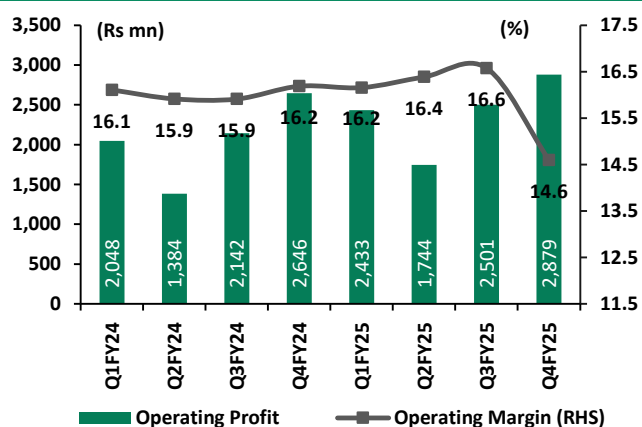
Source: Company, SMIFS Research

**Fig 10: Quarterly Revenues**


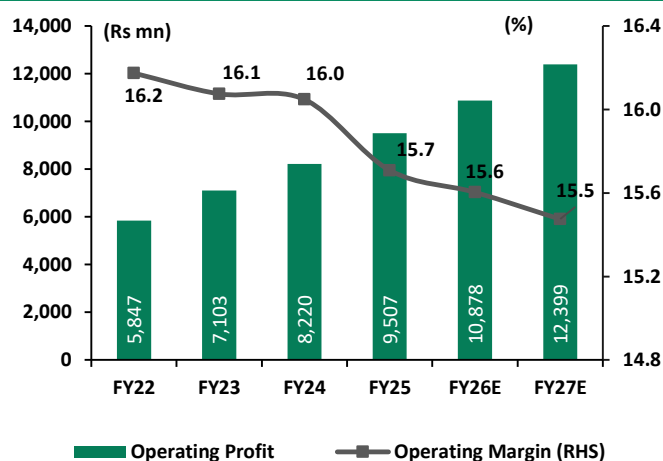
Source: Company, SMIFS Research

**Fig 11: Yearly Revenues**


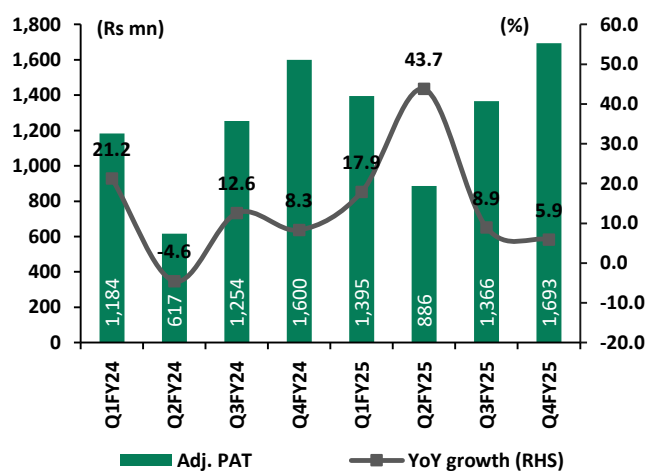
Source: Company, SMIFS Research Estimates

**Fig 12: Quarterly EBITDA & Margin**


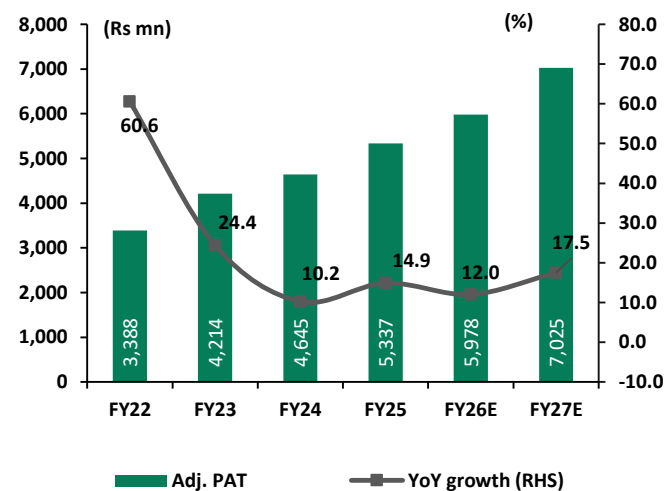
Source: Company, SMIFS Research

**Fig 13: Yearly EBITDA & Margin**


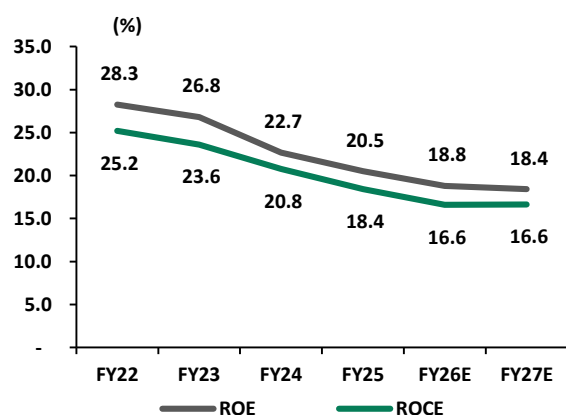
Source: Company, SMIFS Research Estimates

**Fig 14: Quarterly Adjusted PAT and YoY growth**


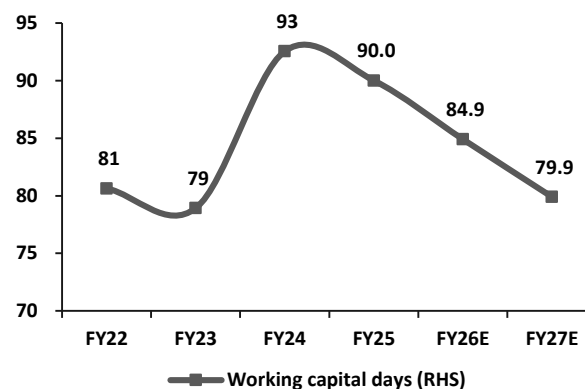
Source: Company, SMIFS Research

**Fig 15: Annual Adjusted PAT and YoY growth**


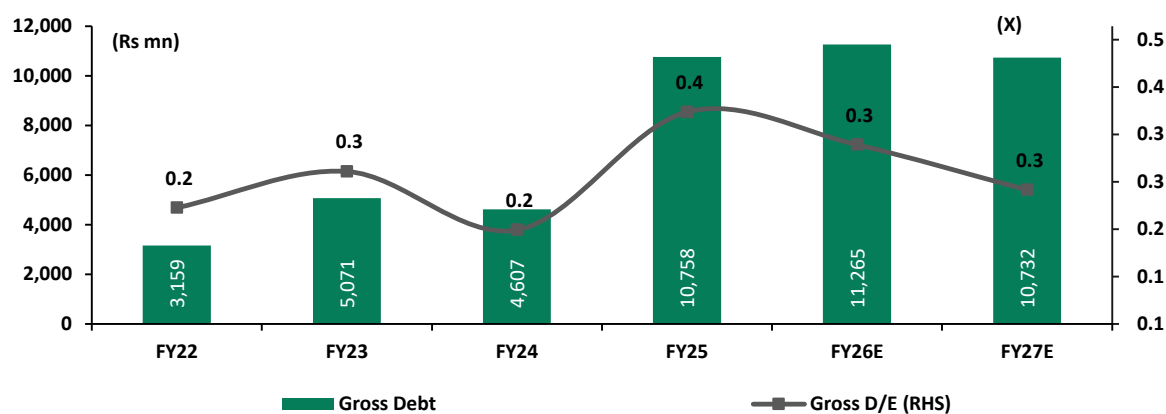
Source: Company, SMIFS Research Estimates

**Fig 16: ROE & ROCE**


Source: Company, SMIFS Research Estimates

**Fig 17: Working capital days**


Source: Company, SMIFS Research Estimates

**Fig 18: Gross debt and gross debt/ equity**


Source: Company, SMIFS Research Estimates



## Quarterly financials, operating metrics, and key performance indicators

**Fig 19: Quarterly Financials**

Y/E March (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
<b>Net sales</b>	<b>12,713</b>	<b>8,695</b>	<b>13,464</b>	<b>16,345</b>	<b>15,059</b>	<b>10,645</b>	<b>15,085</b>	<b>19,730</b>
Cost of Material Consumed	9,670	6,418	10,324	12,776	11,667	8,052	11,532	15,661
Employee Cost	715	648	776	743	787	753	874	879
Other Expenditure	280	245	222	180	172	95	179	310
<b>EBITDA</b>	<b>2,048</b>	<b>1,384</b>	<b>2,142</b>	<b>2,646</b>	<b>2,433</b>	<b>1,744</b>	<b>2,501</b>	<b>2,879</b>
Depreciation	311	354	367	380	348	359	362	420
Interest	38	17	25	46	32	33	24	64
Other Income	173	216	226	195	220	226	298	415
Exceptional Items	-	-	1,067	-	-	-	-	574
<b>PBT</b>	<b>1,602</b>	<b>831</b>	<b>2,642</b>	<b>2,117</b>	<b>1,897</b>	<b>1,192</b>	<b>1,864</b>	<b>2,682</b>
Tax	419	214	587	518	501	306	498	558
Tax rate (%)	26.1	25.8	22.2	24.5	26.4	25.6	26.7	20.8
<b>Reported PAT</b>	<b>1,184</b>	<b>617</b>	<b>2,055</b>	<b>1,600</b>	<b>1,395</b>	<b>886</b>	<b>1,366</b>	<b>2,124</b>
<b>Adjusted PAT</b>	<b>1,184</b>	<b>617</b>	<b>1,254</b>	<b>1,600</b>	<b>1,395</b>	<b>886</b>	<b>1,366</b>	<b>1,693</b>
<b>YoY Growth (%)</b>								
Revenue	19.3	15.6	19.0	11.2	18.4	22.4	12.0	20.7
EBITDA	26.0	14.6	13.2	11.3	18.8	26.1	16.7	8.8
Adj. PAT	21.2	(4.6)	12.6	8.3	17.9	43.7	8.9	5.9
<b>QoQ Growth (%)</b>								
Revenue	(13.5)	(31.6)	54.9	21.4	(7.9)	(29.3)	41.7	30.8
EBITDA	(13.9)	(32.4)	54.8	23.5	(8.0)	(28.3)	43.4	15.1
Adj. PAT	(19.9)	(47.9)	103.4	27.5	(12.8)	(36.5)	54.1	24.0
<b>Margin (%)</b>								
Gross Profit	23.9	26.2	23.3	21.8	22.5	24.4	23.6	20.6
EBITDA	16.1	15.9	15.9	16.2	16.2	16.4	16.6	14.6
Adj. PAT	9.3	7.1	9.3	9.8	9.3	8.3	9.1	8.6
Employee cost as % of sales	5.6	7.5	5.8	4.5	5.2	7.1	5.8	4.5
Other expenses as % of sales	2.2	2.8	1.6	1.1	1.1	0.9	1.2	1.6
<b>Operational Matrix</b>								
Order book (Rs mn)	1,16,746	1,06,782	96,713	1,24,340	1,56,418	1,66,235	1,50,799	1,52,812
Inflows (Rs mn)*	425	-	362	31,247	45,502	13,750	7,700	21,740
Order book/TTM bill (x)	2.5	2.3	2.0	2.4	2.9	3.0	2.6	2.5

Source: Company, SMIFS Research; \*Calculated for recent quarters



## Financial Statements (Standalone)

Income Statement					
YE March (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
<b>Revenues</b>	<b>44,185</b>	<b>51,217</b>	<b>60,519</b>	<b>69,710</b>	<b>80,122</b>
Raw Materials	34,475	39,189	46,912	54,174	62,516
% of sales	78.0	76.5	77.5	77.7	78.0
Personnel	1,959	2,882	3,293	3,761	4,215
% of sales	4.4	5.6	5.4	5.4	5.3
Other Expenses	649	927	807	897	992
% of sales	1.5	1.8	1.3	1.3	1.2
<b>EBITDA</b>	<b>7,103</b>	<b>8,220</b>	<b>9,507</b>	<b>10,878</b>	<b>12,399</b>
Other Income	963	1,412	1,440	1,540	1,644
Depreciation	181	126	152	162	175
<b>EBIT</b>	<b>6,320</b>	<b>6,934</b>	<b>8,220</b>	<b>9,500</b>	<b>10,930</b>
Finance cost	633	810	1,159	1,508	1,539
<b>Core PBT</b>	<b>5,507</b>	<b>5,998</b>	<b>6,908</b>	<b>7,830</b>	<b>9,217</b>
Exceptional Items	-	1,067	574	-	-
<b>PBT</b>	<b>5,687</b>	<b>7,192</b>	<b>7,634</b>	<b>7,992</b>	<b>9,391</b>
Tax-Total	1,474	1,737	1,863	2,014	2,367
Tax Rate (%) - Total	25.9	24.2	24.4	25.2	25.2
<b>Reported PAT</b>	<b>4,214</b>	<b>5,455</b>	<b>5,771</b>	<b>5,978</b>	<b>7,025</b>
<b>Adjusted PAT</b>	<b>4,214</b>	<b>4,645</b>	<b>5,337</b>	<b>5,978</b>	<b>7,025</b>

Source: Company, SMIFS Research Estimates

Key Ratios					
YE March	FY23	FY24	FY25	FY26E	FY27E
<b>Growth Ratio (%)</b>					
Revenue	22.2	15.9	18.2	15.2	14.9
EBITDA	21.5	15.7	15.7	14.4	14.0
Adjusted PAT	24.4	10.2	14.9	12.0	17.5
<b>Margin Ratios (%)</b>					
Gross Profit	22.0	23.5	22.5	22.3	22.0
EBITDA	16.1	16.0	15.7	15.6	15.5
EBIT	14.3	13.5	13.6	13.6	13.6
Core PBT	12.5	11.7	11.4	11.2	11.5
Adjusted PAT	9.5	9.1	8.8	8.6	8.8
<b>Return Ratios (%)</b>					
ROE	26.8	22.7	20.5	18.8	18.4
ROCE	23.6	20.8	18.4	16.6	16.6
<b>Turnover Ratios (days)</b>					
Gross block turnover ratio	47.6	44.7	46.8	50.1	53.3
Adj OCF / Adj PAT (%)	124.5	40.9	2.3	183.5	99.3
Inventory	19.4	21.1	32.7	27.0	26.0
Debtors	72.6	65.4	83.0	78.2	76.2
Creditors	61.4	65.1	81.5	76.9	74.8
Cash conversion cycle	30.6	21.5	34.2	28.3	27.4
<b>Solvency Ratio (x)</b>					
Debt-equity	0.3	0.2	0.4	0.3	0.3
Net debt/equity	0.1	(0.0)	0.2	0.2	0.1
Gross debt/EBITDA	0.7	0.6	1.1	1.0	-
Current Ratio	1.4	1.7	1.4	1.3	1.4
Interest coverage ratio	10.0	8.6	7.1	6.3	7.1
<b>Dividend</b>					
DPS	1.3	1.5	1.8	2.0	2.3
Dividend Yield (%)	0.2	0.2	0.1	0.2	0.2
Dividend Payout (%)	1.9	2.1	2.1	2.2	2.1
<b>Per share Ratios (Rs)</b>					
Basic EPS (reported)	64.7	83.7	88.6	91.7	107.8
Adj EPS	64.7	71.3	81.9	91.7	107.8
CEPS	79.4	105.4	110.6	115.4	133.0
BV	272.9	355.8	442.6	532.6	638.4
<b>Valuation (x)*</b>					
Adj P/E	10.8	12.7	17.0	12.4	10.6
P/BV	2.6	2.5	3.1	2.1	1.8
EV/EBITDA	6.6	7.1	10.3	7.4	6.4
EV/Sales	1.1	1.1	1.6	1.2	1.0
Adj Mcap / Core PBT	7.5	8.9	12.6	8.8	7.5
Adj Mcap / Adj OCF	7.9	28.1	718.3	6.3	9.9

Source: Company, SMIFS Research Estimates

Balance Sheet					
YE March (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
<b>Source of funds</b>					
Share Capital	652	652	652	652	652
Reserves & Surplus	17,133	22,533	28,196	34,060	40,955
<b>Shareholders' Funds</b>	<b>17,784</b>	<b>23,185</b>	<b>28,848</b>	<b>34,712</b>	<b>41,606</b>
<b>Total Loan Funds</b>	<b>5,071</b>	<b>4,607</b>	<b>10,758</b>	<b>11,265</b>	<b>10,732</b>
Other Liabilities	145	122	169	188	202
<b>Total Liabilities</b>	<b>23,000</b>	<b>27,914</b>	<b>39,775</b>	<b>46,165</b>	<b>52,541</b>
<b>Application of funds</b>					
Gross Block	10,336	12,312	13,226	14,226	15,426
Net Block	6,212	7,262	6,728	6,155	5,711
Capital WIP	719	42	29	32	39
Right use of assets	40	86	75	82	90
Intangible Asset	15	17	26	35	42
Investment Properties	79	58	37	37	37
Quasi Investments	2,330	2,556	2,608	2,660	2,718
<b>Other Investments</b>	<b>5,382</b>	<b>4,008</b>	<b>11,419</b>	<b>19,719</b>	<b>24,689</b>
<b>Other Non-Current Assets</b>	<b>367</b>	<b>1,169</b>	<b>810</b>	<b>919</b>	<b>1,019</b>
Inventories	2,353	2,967	5,428	5,157	5,707
Sundry Debtors	8,791	9,177	13,766	14,935	16,727
Current Investments	10	857	-	-	-
Cash and Bank Balance	1,794	1,993	1,343	2,580	2,675
Other current assets	7,001	10,823	15,988	14,245	16,041
<b>Total Current Assets</b>	<b>19,949</b>	<b>25,816</b>	<b>36,525</b>	<b>36,917</b>	<b>41,151</b>
Sundry Creditors	7,437	9,133	13,516	14,687	16,419
Other current liabilities	4,656	3,965	4,966	5,705	6,536
<b>Total Current Liabilities</b>	<b>12,093</b>	<b>13,099</b>	<b>18,483</b>	<b>20,392</b>	<b>22,956</b>
<b>Net Current Assets</b>	<b>7,856</b>	<b>12,717</b>	<b>18,042</b>	<b>16,525</b>	<b>18,195</b>
<b>Total Assets</b>	<b>23,000</b>	<b>27,914</b>	<b>39,774</b>	<b>46,165</b>	<b>52,541</b>

Source: Company, SMIFS Research Estimates

Cash Flow					
YE March (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
<b>Operating profit before WC changes</b>	<b>7,377</b>	<b>8,578</b>	<b>9,633</b>	<b>10,878</b>	<b>12,399</b>
Net changes in working capital	64	(3,937)	(6,289)	3,612	(1,520)
Tax Paid	1,571	1,931	2,149	2,014	2,367
<b>Cash flow from operating activities</b>	<b>5,871</b>	<b>2,710</b>	<b>1,196</b>	<b>12,476</b>	<b>8,513</b>
<b>Adj. OCF</b>	<b>5,248</b>	<b>1,900</b>	<b>121</b>	<b>10,968</b>	<b>6,975</b>
Capital expenditure	(3,392)	(2,239)	(934)	(986)	(1,222)
Adj FCF	1,856	(339)	(813)	9,982	5,753
<b>Cash flow from investing activities</b>	<b>(6,827)</b>	<b>(870)</b>	<b>(6,956)</b>	<b>(9,123)</b>	<b>(6,017)</b>
Debt	1,888	(40)	6,652	(505)	(746)
Dividend	(65)	(81)	(98)	(114)	(130)
Interest and Lease	(648)	(851)	(1,126)	(1,496)	(1,525)
<b>Cash flow from financing activities</b>	<b>1,174</b>	<b>(1,457)</b>	<b>4,944</b>	<b>(2,115)</b>	<b>(2,401)</b>
<b>Net change in cash</b>	<b>219</b>	<b>383</b>	<b>(817)</b>	<b>1,238</b>	<b>95</b>

Source: Company, SMIFS Research Estimates

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