Annual Report Analysis FY20

PNC Infratech

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Annual Report 2020: Progress, Prudence, Perseverance

The annual report highlights how PNC Infratech's business model and strategies helped the company progress over the years. The integrated business model of owning equipment bank ensures quick mobilization and continuous availability of equipment leading to timely completion of projects. Owning quarries helps securing raw materials within scheduled time. In house design and engineering controls the entire process from conceptualization to commissioning and lastly in house construction ensures timely completion of projects and reduce reliance on third parties and lowering costs.

MDA Overview

Under the vision laid down by National Infrastructure Pipeline (NIP), about 1,820 projects have been identified to be implemented during FY20-25. The total Capex for these projects by the Centre is estimated at Rs13.8 tn over FY20-25. It includes the development of overall 60,000 km of national highways including 2,500 km of expressways, 9,000 km of economic corridors, 2,000 km of coastal and port connectivity, bypasses for 45 towns and enhanced connectivity for 100 tourist destinations by 2024.

Growth Strategy

Expressways and Highways shall continue to remain the most preferred space for the company and shall continue to focus on EPC contracts as well as increase penetration in HAM projects. PNC will diversify and expand into new functional areas wherever they find synergies. PNC continuously focus' on strengthening systems and internal processes to ensure efficiency and proficiency and finally aims to develop and maintain strong relationships with clients and strategic partners.

Outlook

As the impact of the virus subsides and activities slowly resume towards normalcy, strong order flow under the aegis of the National Infrastructure Pipeline, focus on infrastructure, and lower execution impediments should help in revival of the sector. The infrastructure industry is likely to normalize by Q3FY21, subject to the containment of the spread. Due to the COVID-19 led disruption, revenue impact for the infrastructure sector for FY21 is estimated at 15-20%, with H1FY21 revenue being severely impacted. The order inflow which impacted in H1FY21, is expected to pace during H2FY21 once the situation normalizes. Also, NHAI's plans for monetizing road assets through TOT model or raising funds through launching an InvIT are likely to be pushed back by a couple of quarters.

Financial Snapshot

Revenue up 57.5% YoY in FY20 to Rs48.8 bn vs. Rs31.0 bn in FY19. EBITDA margins expanded 90 bps YoY to 15.7% in FY20 vs. 14.8% in FY19. Reported PAT up 41.7% YoY in FY20 to Rs4.6 bn vs. Rs3.25 bn in FY19. APAT up 62.9% YoY in FY20 to Rs3.5 bn vs. Rs2.2 bn in FY19. PNC received order inflow of Rs10.6 bn in FY20 vs. Rs74.2 bn in FY19, a de-growth of 85.7% YoY. Though as per AR FY20, PNC has won orders worth ~Rs52.1 bn (EPC value) but we have considered only 1 order viz. Lucknow Ring Road Pkg 1 worth Rs10.6 bn as PNC has not yet received AD for the remaining 3 HAM projects. OB as on date stands at Rs155.3 bn providing revenue visibility of 3.5x TTM revenue. PNC expects to receive AD for remaining Challakere-Hariyur HAM by mid Oct'20/ 4 HAM projects in Jan'21 and 2 packages of Delhi Vadodara in Oct'20. These projects constitute 50% of the current orderbook.

CMP	Rs 155
Target / Upside	Rs 271 / 75%
BSE Sensex	38,281
NSE Nifty	11,317

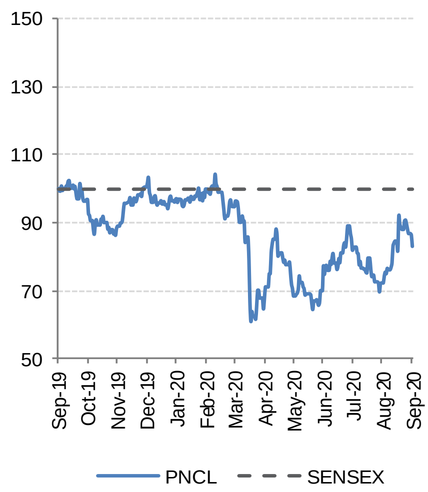
Scrip Details

Equity / FV	Rs 513mn / Rs 2
Market Cap	Rs 40bn
	US$ 538mn
52-week High/Low	Rs 215/Rs 80
Avg. Volume (no)	2,92,086
NSE Symbol	PNCINFRA
Bloomberg Code	PNCL IN

Shareholding Pattern Jun'20(%)

Promoters	56.1
MF/Banks/FIs	23.8
FIIs	6.4
Public / Others	13.8

Company Relative to Sensex



VP Research: Shravan Shah
Tel: +91 22 40969749
E-mail: shravans@dolatcapital.com

Associate: Maulik Shah
Tel: +91 22 40969775
E-mail: mauliks@dolatcapital.com

DOLAT CAPITAL

Annual Report Macro View

Key Management	On 10 Aug'19, Mr. Talluri Raghupati Rao (DIN - 01207205) on the recommendation of Nomination and Remuneration Committee, appointed by the Board as an Additional Executive Director on the Board of the Company and further designated as Whole time Director by the members in the AGM.		
Board of Directors	No Changes		
Credit Rating		**FY2019**	**FY2020**
	CARE	CARE AA- Stable (Long term credit) CARE A1+ (Short term credit)	CARE AA- Stable (Long term credit) CARE A1+ (Short term credit)
Auditors	M/s. S.S. Kothari Mehta & Co continue to remain the auditors of the company.		
Pledged Shares	% of shares pledged:		
	FY2019	**FY2020**	
	-	-	
Macro-economic Factors	The IMF slashed the growth forecast for the Indian economy, projecting a GDP growth of 1.9% in FY2021 from 5.8% in its January 2020 estimates, thereby indicating a rebound only in FY2022. On the domestic front, the rating agency ICRA expects the economy to slow down in FY2021. It has projected the growth range between -1% to 1% for the full year post a de-growth of 15-20% in first and second quarters as most of the economic activities particularly construction, mining sectors are expected to be affected during the monsoon period in the second quarter also.		

Key Holders

Shareholding Pattern	**Mar'19**	**Jun'20**
A. Promoters	56.07	56.07
B. Public Shareholding		
1. Institutions:		
a. Mutual Funds	21.31	22.81
b. Banks/FI	0.04	0.02
c. Central Govt.	-	-
d. State Govt.(s)	-	-
e. Venture Capital Funds	-	-
f. Insurance Companies	1.29	1.29
g. FII(s) / FPI(s)	6.33	6.42
h. Foreign Venture Capital Funds	-	-
i. Others (Alternate Investment Funds)	0.60	0.11
j. Qualified Institutional Buyer	-	-
2. Non-Institutions:		
a. Bodies Corp.	-	10.73
b. Individuals	2.74	2.17
c. Others	11.62	0.38
C. Shares held by Custodian for GDRs & ADRs	-	-
Total	**100.00**	**100.00**

Source: Company, DART

Management Discussion & Analysis

The rate of construction of national highways has more than doubled from12 km/day to 30km/ day since FY2015. The increase in the average daily construction rate of national highways can be attributed to the introduction of comparatively de-risked models (for the private sector) such as EPC and HAM, besides policy reforms such as the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, and for facilitating timely land acquisition, amongst others.

National Infrastructure Pipeline (FY20-25)

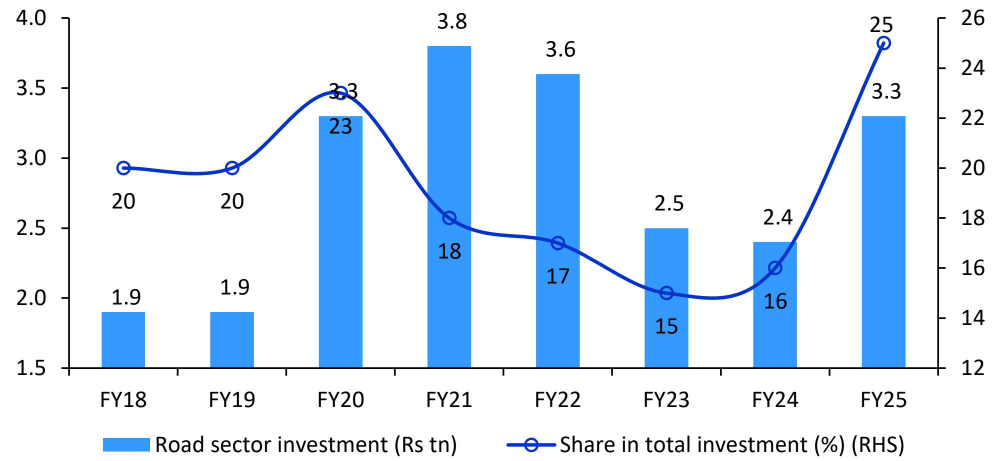
The task force on NIP submitted its final report for the fiscal years 2019-25 to the Union Finance Minister Mrs Nirmala Sitharaman on April 29, 2020. To draw up the NIP report, a bottomup approach was adopted wherein all the projects (Greenfield or Brownfield), under implementation or conceptualization) costing greater than Rs1 bn per project were sought to be captured. The final report of the Task Force on NIP projected investments to the tune of Rs111 tn during the FY2020-25. The final report mentioned that 18% of the targeted investment is expected to be made in the road sector. The NIP envisages doubling Infrastructure spend from ~5% of nominal GDP to ~10% over FY21- 23. The Centre (39%) and states (40%) are expected to have an almost equal share in implementing the NIP in India, followed by the private sector (21%).

In addition, the financial sector reforms to attract foreign and private capital into infrastructure are also imperative for the success of NIP. Setting up Development Financial Institutions for the infrastructure sector, encouraging Green Finance, sale of land and non-operational PSU assets, ToT Monetisation, accelerating monetisation of infrastructure assets through InVIT/ ReITs, and deepening Corporate Bond markets including those of Municipal Bonds, enabling appropriate user charges levy through multi-sectoral regulators and defining a long term financial landscape are some of the other key reforms envisaged in the NIP report to enable investments into infrastructure.

Vision 2025 as laid out by National Infrastructure Pipeline

About 1,820 projects have been identified to be implemented in 2020- 25. The total Capex for these projects by the Centre is estimated at Rs13.8 tn over fiscals 2020 to 2025. It includes the development of overall 60,000 km of national highways including 2,500 km of expressways, 9,000 km of economic corridors, 2,000 km of coastal and port connectivity, bypasses for 45 towns and enhanced connectivity for 100 tourist destinations by 2024. These projects include the construction of new expressways such as Delhi–Mumbai Expressway, Bengaluru–Chennai Expressway, etc. Several projects being implemented include four laning/ two laning or widening of existing highways. It also aims for a significantly higher share of the private sector in national highways. The NIP also aims for higher penetration of asset Monetisation options, such as InvITs, ToT, securitization of the portfolio with an objective to achieve Rs1 tn through asset Monetisation by 2024. As such, asset ownership will tilt in favour of asset aggregators/private equity players.

Exhibit 1: NIP Capex plan FY20-25



Source: Company

Reform imperatives in Road sector proposed by NIP

- Enhancing the 'ease-of-doing infrastructure' - Project delays and consequent disputes have been amongst the major causes. Hence, 90% of contiguous land needs to be acquired along with project clearances before awarding projects. Therefore, a system by which such clearances can be fast-tracked through standardized design documents may be considered.
- Asset recycling for improving efficiency and mobilizing resources - There is a need to increase use financing options introduced in the last few years, such as InvITs and TOT. IRDAI should revisit the prescribed cap of 5% for insurance companies' investment in a single InvIT and should also come out with clear guidelines allowing insurance companies to invest in debt securities issued by InvITs, in line with traditional companies. Also, the reform that helps improve investor participation in the TOT model should be brought.
- Enabling NHAI to raise long-term money - It is imperative for NHAI to explore mechanisms to raise more low-cost funds at tenures matching the long life of its road projects, possibly through more tax-free bonds. NHAI can seek participation from LIC & EPFO.
- Ensuring better contract enforceability and robust dispute resolution mechanism.
- Upfront procurement of key approvals /clearances, and availability of required land.
- Asset monetisation which in turn, can be used to finance more greenfield assets.
- Increased investment in technology.

Growth Drivers

Project Management Expertise - PNC has been able to mobilize resources including equipment, raw material and human resources to project sites at short notice, as they own a large equipment bank house. The operations are supported by an experienced workforce that ensures timely execution of the projects amid challenging conditions.

Financial Performance and Credit Profile – Company's steady growth is a result of prudent procurement process and efficient project execution expertise and wise bidding strategy for projects with decent margins.

Pre-qualification Credentials and Client Relationships – PNC's experience, expertise and a solid track-record, together with strong with the industry bodies enable them to maintain such established relationships with valued clients. Furthermore, pre-qualification credentials advantageously place the company to meet the requirements of the central, state and local governmental authorities for the majority of its infrastructure projects.

Diversified Portfolio and Order Book - Diversified business portfolio enables to cater to the infrastructure requirements of different sectors. This diversified portfolio further encourages to explore new opportunities in multiple areas such as roads, airports, power transmission and distribution, and industrial area infrastructure, amongst others.

In-house capabilities and Management Team – PNC has a well-qualified engineering and design team, with skills in various fields, including civil, structural, electrical, mechanical and instrumentation. The in-house design and engineering team gives them control of the entire process of a project.

Sound Environment, Social and Governance (ESG) Culture - PNC always ensures that they are in compliance with the requirements of all the regulatory authorities. Corporate governance framework is based on an effective board with equal number of Independent Directors.

Growth Strategy

Expressways and Highways shall continue to remain the most preferred space for the company and shall continue to focus on EPC contracts as well as increase penetration in HAM projects. PNC will diversify and expand into new functional areas wherever they find synergies. PNC continuously focus' on strengthening systems and internal processes to ensure efficiency and proficiency and finally aims to develop and maintain strong relationships with clients and strategic partners.

Exhibit 2: Board and Committee composition

Name of Directors	Audit	Nomination & Remuneration	Stakeholders Relationship	CSR	Project Management	Banking	Risk Management
Pradeep Kumar Jain						✓	
Chakresh Kumar Jain			•	✓		•	✓
Yogesh Kumar Jain			•		✓	•	
Anil Kumar Rao				•	•		
Talluri Raghupati Rao					•		
C. R. Sharma	•	•					
Ashok Kumar Gupta	•	✓	✓	•			
Deepika Mittal	✓	•					•
Gauri Shankar							•
Krishan Kumar Jalan							
Total No. of Members	3	3	3	3	3	3	3

Source: Company, DART, ✓ Chairperson, • Member

Exhibit 3: Trend of Remuneration (Rs mn)

Name	Position	FY18	FY19	FY20
Pradeep Kumar Jain	Chairman & MD	18.0	23.4	25.8
Chakresh Kumar Jain	MD & CFO	16.2	21.0	23.4
Yogesh Kumar Jain	MD	16.2	21.0	23.4
Anil Kumar Rao	Whole Time Director	6.6	7.3	7.8
Talluri Raghupati Rao	Whole Time Director	-	-	4.3
Mr. Tapan Jain	CS	1.1	1.4	1.8

Source: Company, DART

Financial Highlights

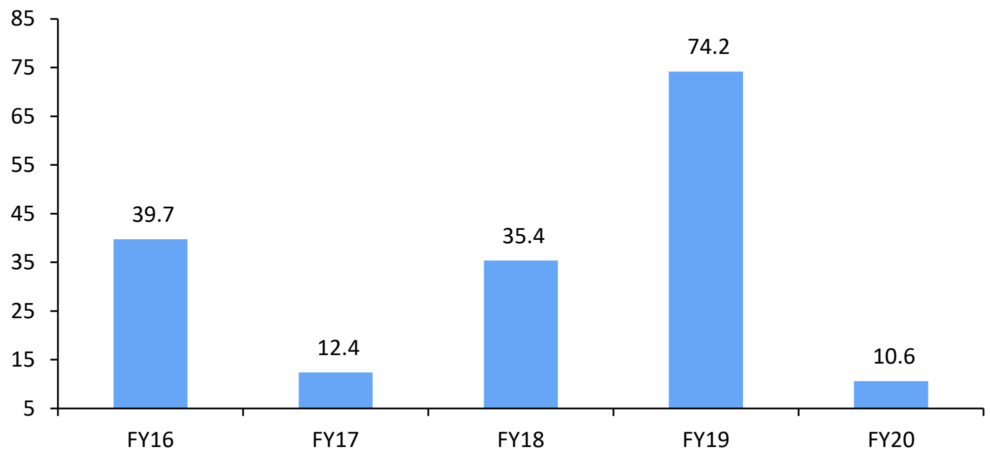
Order Inflows: PNC has received orders worth Rs10.6 bn in FY20 vs. Rs74.2 bn in FY19, a de-growth of 85.7% YoY. Though as per Annual report FY20, PNC has won orders worth ~Rs52.1 bn (EPC value) but we have considered only 1 order viz. Lucknow Ring Road Pkg 1 worth Rs10.6 bn as PNC has not yet received appointed date for the remaining 3 HAM projects.

Exhibit 4: FY20 order inflows

Project	Client	Mode	State	Period (months)	EPC Value (Rs bn)
Lucknow Ring Road Pkg 1	NHAI	EPC	UP	36	10.6
Jagdishpur-Faizabad	NHAI	HAM	UP	24	12.2
Aligarh-Kanpur Pkg 5	NHAI	HAM	UP	30	16.4
Unnao-Lalganj	NHAI	HAM	UP	30	12.8
TOTAL					**52.1**

Source: Company, DART

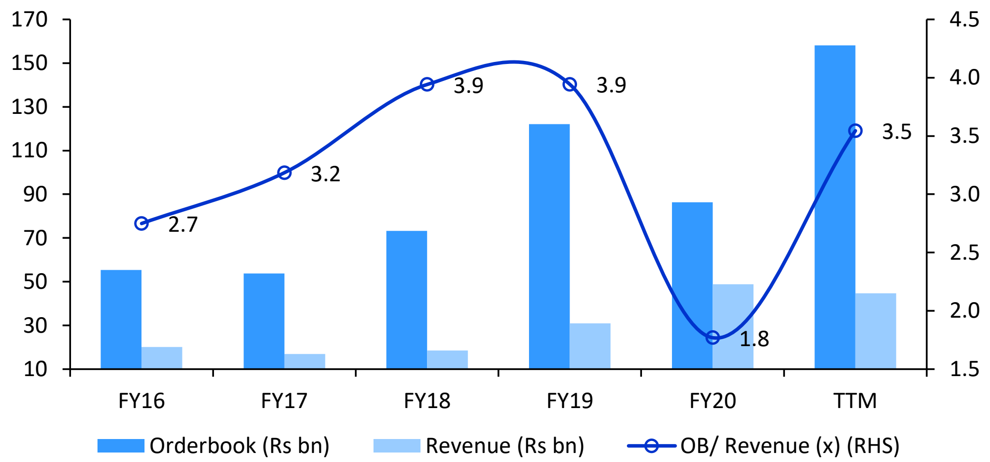
Exhibit 5: Order Inflow Trend (Rs bn)



Source: Company, DART

Order Book: PNC's orderbook as on FY20 stood at Rs86.3 bn and as on Jun'20 it stood at Rs155.3 bn providing revenue visibility of 3.5x TTM revenue.

Exhibit 6: Order book (Rs155.3 bn) as on Jun'20



Source: Company, DART

Projects marked (*) worth Rs77.6 bn (50% of orderbook) are yet to receive appointed date and PNC expects it to receive between Oct'20 - Jan'21.

Exhibit 7: Orderbook (Rs155.3 bn) as on Jun'20

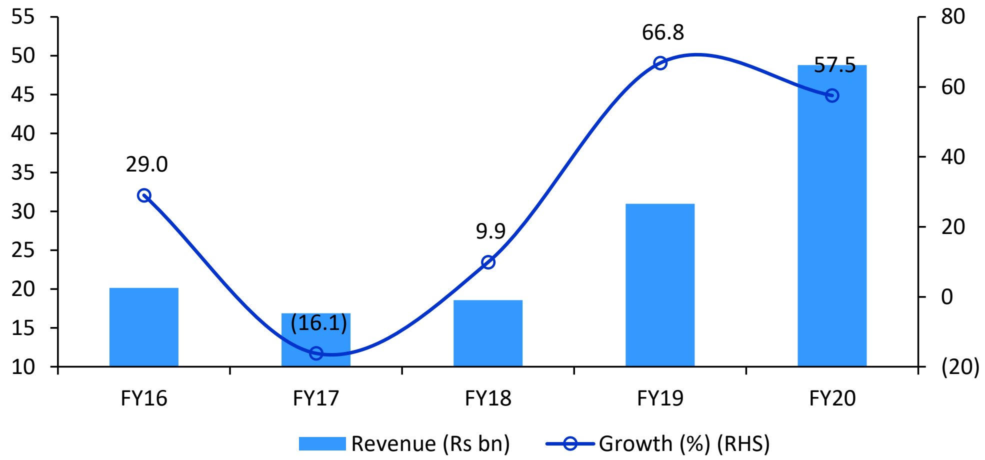
Project	State	Client	Mode	O/S value (Rs mn)	% of total OB
Nagpur - Mumbai Pkg 4	Maharashtra	MSRDC	EPC	12,870	8.3
Chakeri - Allahabad	UP	NHAI	HAM	10,760	6.9
Lucknow Ring Road Pkg-1	UP	NHAI	EPC	10,620	6.8
Purvanchal Expressway Pkg-5	UP	UPEIDA	EPC	7,930	5.1
Purvanchal Expressway Pkg-6	UP	UPEIDA	EPC	5,680	3.7
Nagina-Kashipur	UP & Uttarakhand	NHAI	EPC	5,340	3.4
Aligarh - Kanpur Pkg-2	UP	NHAI	HAM	4,480	2.9
Chitradurga - Davanagere	Karnataka	NHAI	HAM	4,200	2.7
Jhansi - Khajurao (Pkg-1)	UP & MP	NHAI	HAM	4,160	2.7
Jhansi - Khajurao (Pkg-2)	UP & MP	NHAI	HAM	3,130	2.0
Bhojpur – Buxar	Bihar	NHAI	EPC	2,780	1.8
Koilwar – Bhojpur	Bihar	NHAI	EPC	2,480	1.6
Varanasi-Gorakhpur	UP	NHAI	EPC	1,740	1.1
Others				1,440	0.9
Challakere-Hariyur *	Karnataka	NHAI	HAM	9,350	6.0
Jagdishpur - Faizabad *	UP	NHAI	HAM	12,249	7.9
Aligarh - Kanpur Pkg-5 *	UP	NHAI	HAM	16,428	10.6
Unnao – Lalganj *	UP	NHAI	HAM	12,826	8.3
Meerut –Nazibabad *	UP	NHAI	HAM	11,304	7.3
Delhi Vadodara Pkg 29 *	Gujarat	NHAI	EPC	7,584	4.9
Delhi Vadodara Pkg 31 *	Gujarat	NHAI	EPC	7,894	5.1
TOTAL				**1,55,245**	**100.0**

Source: Company, DART

Profit and Loss Analysis

Revenue: PNC reported revenue of Rs48.8 bn in FY20 vs. Rs31.0 bn in FY19, a growth of 57.5% YoY.

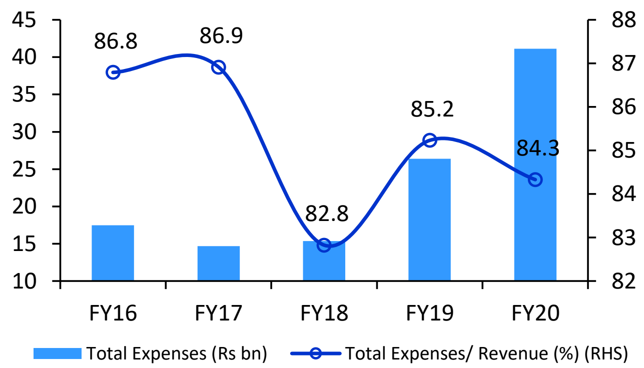
Exhibit 8: Revenue growth of 24.7% CAGR between FY16-FY20



Source: Company, DART

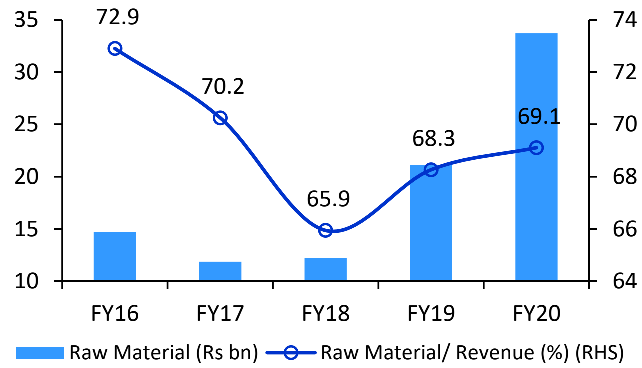
Expenses: Total expenses increased by 8.6% YoY to Rs18.5 bn led by rise in subcontracting expenses by 28.2% YoY to Rs7 bn and other expenses by 24.0% YoY to Rs0.36 bn which was partially offset by fall in contract & site expense by 6% YoY to Rs1.1 bn and employee expense by 6.5% YoY to Rs1.1 bn. Raw material consumption was flat YoY at Rs8.9 bn.

Exhibit 9: Total exp. trend as a % to revenue



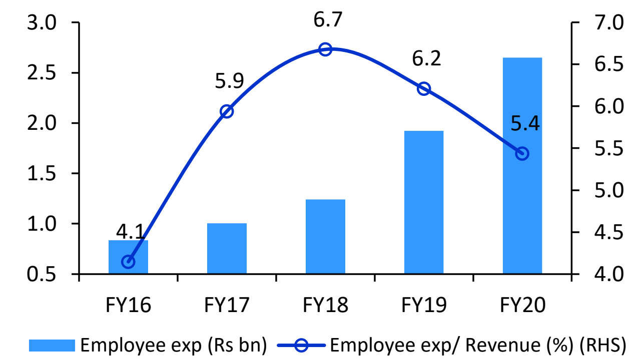
Source: Company, DART

Exhibit 10: Raw material trend as a % to revenue



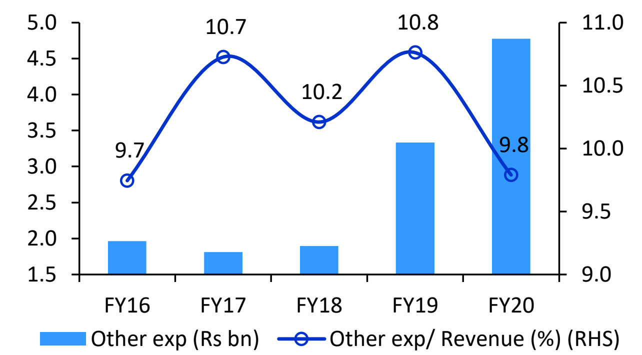
Source: Company, DART

Exhibit 11: Employee exp. trend as a % to revenue



Sources: Company, DART

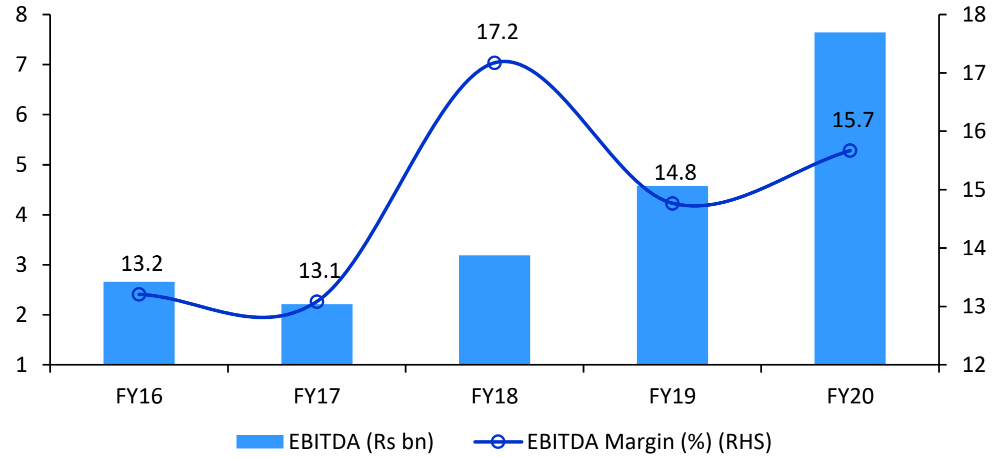
Exhibit 12: Other exp trend as a % to revenue



Sources: Company, DART

EBITDA: EBITDA increased by 67.1% YoY to Rs7.6 bn in FY20 and EBITDA margins up by 90 bps YoY to 15.7%.

Exhibit 13: EBITDA Margin Trend



Source: Company, DART

Depreciation: Depreciation increased by 37.0% YoY to Rs1.3 bn in FY20 vs. Rs922 mn in FY19. Gross block increased by 11.5% YoY to Rs9.6 bn vs. Rs8.6 bn in FY19.

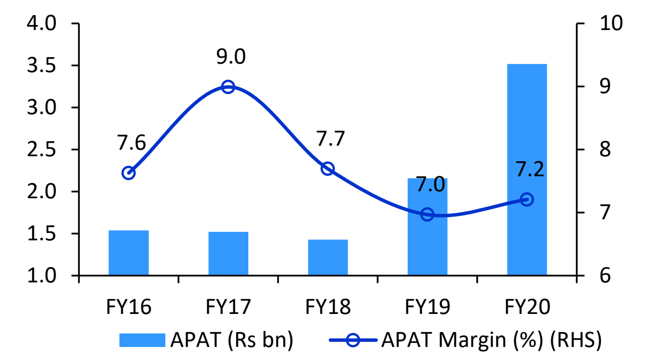
Finance Cost: Finance cost increased by 78.5% YoY to Rs1.1 bn vs. Rs641 mn in FY19.

Effective Tax Rate: Total effective tax rate for FY20 stood at 24.8% vs. 5.6% in FY19.

PAT: Reported PAT increased by 41.7% YoY to Rs4.6 bn in FY20 vs Rs3.25 bn in FY19 and APAT increased by 62.9% YoY to Rs3.5 bn in FY20 vs. Rs2.16 bn in FY19. NPM increased by 24 bps YoY to 7.2% in FY20.

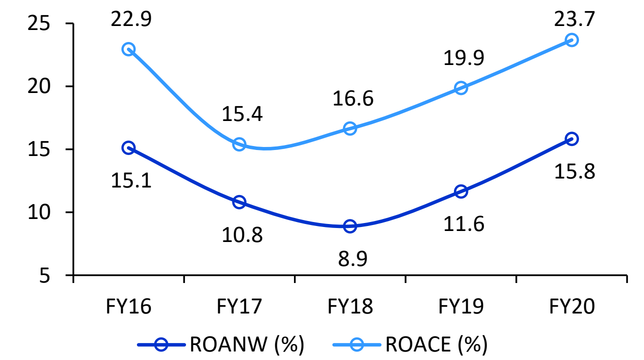
Return Ratios: ROACE increased to 23.7% in FY20 from 19.9% in FY19 and ROANW also increased to 15.8% from 11.6%.

Exhibit 14: PAT margin trend



Sources: Company, DART

Exhibit 15: Return Ratios Trend



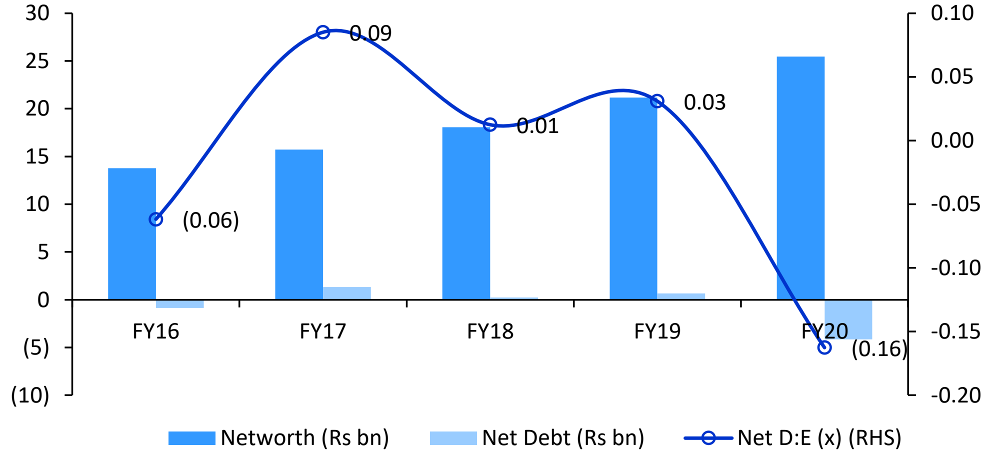
Sources: Company, DART

Balance Sheet Analysis

Networth: Networth increased 20.4% YoY to Rs25.5 bn in FY20 vs. Rs21.2 bn in FY19.

Borrowings: Total borrowings decreased by 13.0% YoY to Rs3.3 bn in FY20 from Rs3.7 bn in FY19. Company turned Net Cash in FY20 with Rs4.14 bn vs. Net Debt of Rs653 mn in FY19. Net D:E stood at (0.16x) in FY20 vs. 0.03x in FY19.

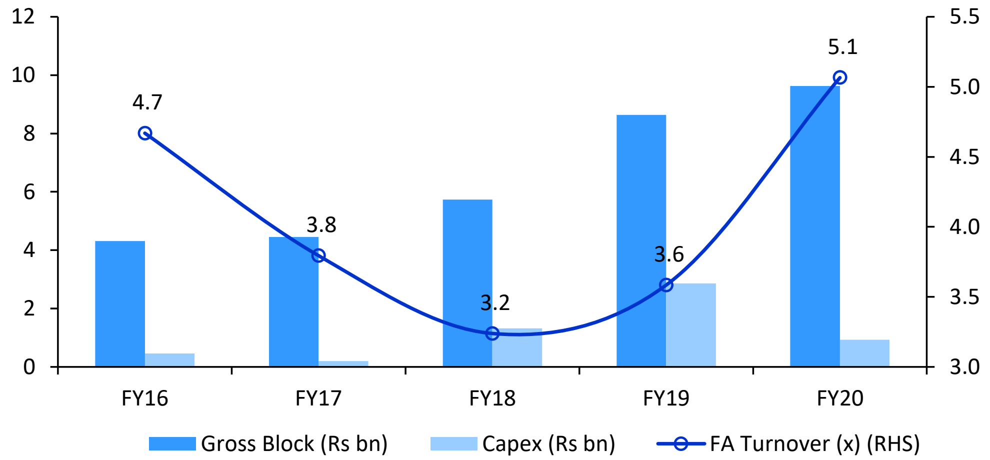
Exhibit 16: Net D:E trend



Source: Company, DART

Gross Block: Gross block increased by 11.5% YoY to Rs9.6 bn vs. Rs8.6 bn in FY19. Capex down 67.6% YoY to Rs0.9 bn in FY20 vs. Rs2.9 bn in FY19. FA turnover decreased to 5.1x in FY20 vs. 3.6x in FY19.

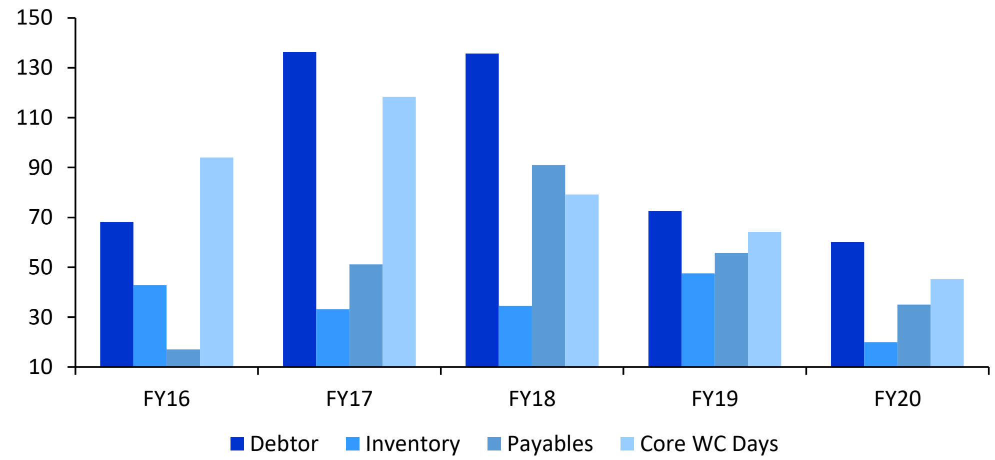
Exhibit 17: Gross Block Trend



Source: Company, DART

Working Capital: Trade receivables increased by 30.6% YoY to Rs8.0 bn in FY20 but debtor days decreased to 60 vs. 73 days. Inventories decreased by 33.8% YoY to Rs2.7 bn in FY20 resulting in lower inventory days of 20 vs. 48 days. Trade payables decreased by 1.3% YoY to Rs4.7 bn in FY20 resulting in decreased trade payable days of 35 vs. 56 days. Core working capital days decreased to 45 days vs. 64 days.

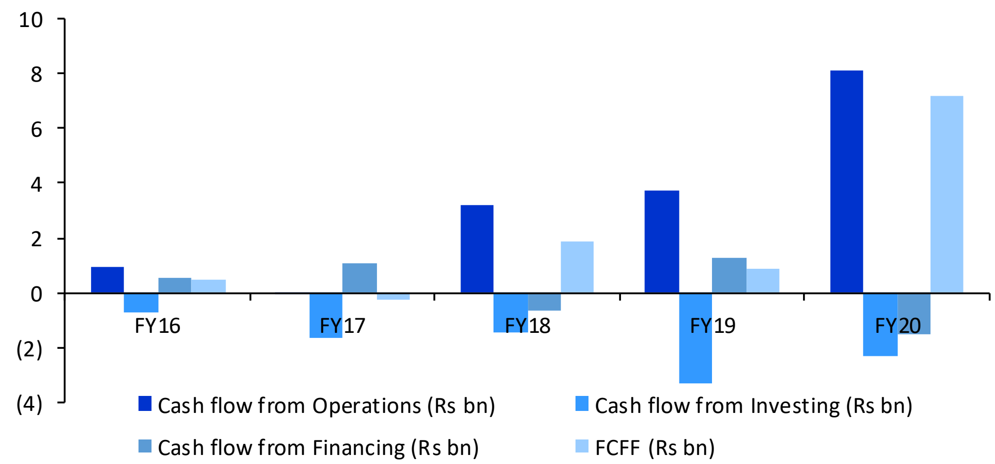
Exhibit 18: Core Working capital days trend



Source: Company, DART

Cash Flow: Cash flow from operations up 119.6% YoY to Rs8.1 bn in FY20 vs. Rs3.7 bn in FY19. Cash flow from investing decreased to (Rs2.3 bn) in FY20 vs. (Rs3.3 bn) in FY19. Cash flow from financing decreased to (Rs1.5 bn) in FY20 vs. Rs1.3 bn in FY19.

Exhibit 19: Cash Flows Trend



Source: Company, DART

Dividend: PNC declared a dividend of Rs0.5 per equity share on face value of Rs2 per share. The cash outflow on account of dividend and dividend distribution tax amounted to Rs155 mn in FY20.

Profit and Loss Account

(Rs Mn)	FY19A	FY20A	FY21E	FY22E
Revenue	**30,969**	**48,779**	**48,814**	**58,082**
Total Expense	**26,395**	**41,136**	**42,053**	**50,046**
COGS	21,140	33,710	33,974	40,675
Employees Cost	1,923	2,651	2,731	3,168
Other expenses	3,333	4,775	5,348	6,204
EBIDTA	**4,573**	**7,643**	**6,760**	**8,035**
Depreciation	922	1,264	1,431	1,637
EBIT	**3,651**	**6,379**	**5,329**	**6,399**
Interest	641	1,144	1,100	1,150
Other Income	430	885	504	432
Exc. / E.O. items	0	0	0	0
EBT	**3,440**	**6,120**	**4,734**	**5,680**
Tax	191	1,517	1,562	1,454
RPAT	3,249	4,603	3,172	4,226
Minority Interest	0	0	0	0
Profit/Loss share of associates	**0**	**0**	**0**	**0**
APAT	**2,157**	**3,515**	**3,172**	**4,226**

Balance Sheet

(Rs Mn)	FY19A	FY20A	FY21E	FY22E
Sources of Funds				
Equity Capital	513	513	513	513
Minority Interest	0	0	0	0
Reserves & Surplus	20,639	24,953	27,996	32,094
Net Worth	**21,152**	**25,466**	**28,509**	**32,607**
Total Debt	3,747	3,260	4,538	4,538
Net Deferred Tax Liability	(1,673)	(1,215)	(1,186)	(1,153)
Total Capital Employed	**23,226**	**27,511**	**31,861**	**35,992**
Applications of Funds				
Net Block	**6,155**	**5,880**	**5,929**	**5,793**
CWIP	62	0	20	20
Investments	5,730	7,355	10,103	16,484
Current Assets, Loans & Advances	**23,535**	**29,652**	**29,724**	**30,542**
Inventories	4,036	2,673	3,154	3,503
Receivables	6,154	8,035	9,275	10,455
Cash and Bank Balances	3,094	7,401	5,259	2,710
Loans and Advances	0	0	0	0
Other Current Assets	10,251	11,544	12,036	13,874
Less: Current Liabilities & Provisions	**12,256**	**15,377**	**13,915**	**16,847**
Payables	4,737	4,675	4,416	5,505
Other Current Liabilities	7,519	10,701	9,499	11,342
sub total				
Net Current Assets	11,279	14,276	15,809	13,695
Total Assets	**23,226**	**27,511**	**31,861**	**35,992**

E – Estimates

Important Ratios

Particulars	FY19A	FY20A	FY21E	FY22E
(A) Margins (%)				
Gross Profit Margin	31.7	30.9	30.4	30.0
EBIDTA Margin	14.8	15.7	13.8	13.8
EBIT Margin	11.8	13.1	10.9	11.0
Tax rate	5.6	24.8	33.0	25.6
Net Profit Margin	7.0	7.2	6.5	7.3
(B) As Percentage of Net Sales (%)				
COGS	68.3	69.1	69.6	70.0
Employee	6.2	5.4	5.6	5.5
Other	10.8	9.8	11.0	10.7
(C) Measure of Financial Status				
Gross Debt / Equity	0.2	0.1	0.2	0.1
Interest Coverage	5.7	5.6	4.8	5.6
Inventory days	48	20	24	22
Debtors days	73	60	69	66
Average Cost of Debt	23.5	32.7	28.2	25.3
Payable days	56	35	33	35
Working Capital days	133	107	118	86
FA T/O	5.0	8.3	8.2	10.0
(D) Measures of Investment				
AEPS (Rs)	8.4	13.7	12.4	16.5
CEPS (Rs)	12.0	18.6	17.9	22.9
DPS (Rs)	0.6	1.2	0.5	0.5
Dividend Payout (%)	7.2	8.8	4.0	3.0
BVPS (Rs)	82.5	99.3	111.1	127.1
RoANW (%)	11.6	15.8	12.0	13.8
RoACE (%)	19.9	23.7	14.7	15.8
RoAIC (%)	22.5	30.2	18.7	18.0
(E) Valuation Ratios				
CMP (Rs)	155	155	155	155
P/E	18.4	11.3	12.5	9.4
Mcap (Rs Mn)	39,725	39,725	39,725	39,725
MCap/ Sales	1.3	0.8	0.8	0.7
EV	40,378	35,585	39,003	41,553
EV/Sales	1.3	0.7	0.8	0.7
EV/EBITDA	8.8	4.7	5.8	5.2
P/BV	1.9	1.6	1.4	1.2
Dividend Yield (%)	0.4	0.8	0.3	0.3
(F) Growth Rate (%)				
Revenue	66.8	57.5	0.1	19.0
EBITDA	43.4	67.1	(11.6)	18.9
EBIT	51.1	74.7	(16.5)	20.1
PBT	47.1	77.9	(22.7)	20.0
APAT	51.1	62.9	(9.8)	33.3
EPS	51.1	62.9	(9.8)	33.3

Cash Flow

(Rs Mn)	FY19A	FY20A	FY21E	FY22E
CFO	3,700	8,126	1,553	6,178
CFI	(3,348)	(2,304)	(3,743)	(7,449)
CFF	1,269	(1,516)	49	(1,278)
FCFF	903	7,217	53	4,678
Opening Cash	1,473	3,094	7,400	5,259
Closing Cash	3,094	7,400	5,259	2,710

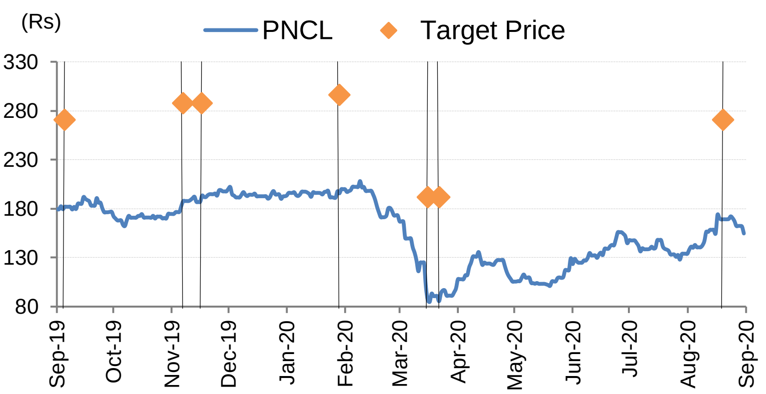
E – Estimates

DART RATING MATRIX

Total Return Expectation (12 Months)

Buy	**> 20%**
Accumulate	**10 to 20%**
Reduce	**0 to 10%**
Sell	**< 0%**

Rating and Target Price History



Month	Rating	TP (Rs.)	Price (Rs.)
Sep-19	Buy	271	182
Nov-19	Buy	288	188
Nov-19	Buy	288	194
Feb-20	Buy	296	196
Mar-20	Buy	192	87
Mar-20	Buy	192	86
Aug-20	Buy	271	169

**Price as on recommendation date*

DART Team

Purvag Shah	**Managing Director**	**purvag@dolatcapital.com**	**+9122 4096 9747**
Amit Khurana, CFA	**Head of Equities**	**amit@dolatcapital.com**	**+9122 4096 9745**

CONTACT DETAILS

Equity Sales	**Designation**	**E-mail**	**Direct Lines**
Dinesh Bajaj	VP - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	VP - Equity Sales	kapil@dolatcapital.com	+9122 4096 9735
Yomika Agarwal	VP - Equity Sales	yomika@dolatcapital.com	+9122 4096 9772
Jubbin Shah	VP - Derivatives Sales	jubbins@dolatcapital.com	+9122 4096 9779
Ashwani Kandoi	AVP - Equity Sales	ashwanik@dolatcapital.com	+9122 4096 9725
Lekha Nahar	AVP - Equity Sales	lekhan@dolatcapital.com	+9122 4096 9740
Equity Trading	**Designation**	**E-mail**	
P. Sridhar	SVP and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	VP - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	VP - Head Domestic Derivatives Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Asia Head Derivatives	kartikm@dolatcapital.com	+9122 4096 9715
Dinesh Mehta	Co- Head Asia Derivatives	dinesh.mehta@dolatcapital.com	+9122 4096 9765
Bhavin Mehta	VP - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

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Member: BSE Limited and National Stock Exchange of India Limited.
SEBI Registration No: BSE - INB010710052 & INF010710052, NSE - INB230710031& INF230710031, Research: INH000000685
Registered office: Office No. 141, Centre Point, Somnath, Daman – 396 210, Daman & Diu
Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatresearch.com