

# G R Infraprojects

BSE SENSEX

54,410

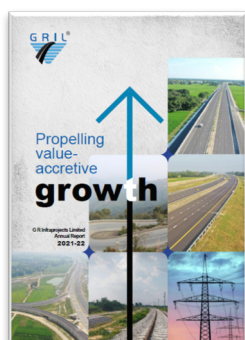
S&P CNX

16,818

**CMP: INR1,229**

**TP: INR1,630 (+33%)**

**Buy**



## Stock Info

Bloomberg	GRINFRA IN
Equity Shares (m)	97
M.Cap.(INRb)/(USDb)	118.6 / 1.4
52-Week Range (INR)	2277 / 1074
1, 6, 12 Rel. Per (%)	-8/-16/-30
12M Avg Val (INR M)	120
Free float (%)	13.5

## Financials Snapshot (INR b)

Y/E March	2022	2023E	2024E
Net Sales	79.2	86.8	99.8
EBITDA	12.8	14.8	17.5
Adj. PAT	7.6	8.8	10.7
EBITDA Margin (%)	16.2	17.0	17.5
Adj. EPS (INR)	79.0	91.4	110.4
EPS Gr. (%)	-2.1	15.6	20.9
BV/Sh. (INR)	451.3	542.7	653.1

## Ratios

Net D/E (x)	0.2	0.1	0.1
RoE (%)	19.2	18.4	18.5
RoCE (%)	16.5	16.7	17.3
Payout (%)	0.0	0.0	0.0

## Valuations

P/E (x)	15.6	13.5	11.1
P/BV (x)	2.7	2.3	1.9
EV/EBITDA (x)	9.8	8.4	7.0
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	1.1	7.1	6.3

## Robust order inflows place GR Infra on strong footing

In this report, we present key takeaways from GR Infra's FY22 Annual Report.

### FY22 order inflows pump up order book for GR Infra; focus on diversification to other infra segments

- G R Infraprojects Ltd (GRIL) witnessed strong order inflows (~INR 94b) in FY22 and its order book currently stands at INR170b (2.2x FY22 revenues). Out of the 10 projects won, 8 were HAM projects, 1 was metro project and 1 was power transmission project. The order wins not only allayed concerns on depleting order book, but also provided comfort on future growth. At the end of FY22, GRIL has 30 projects under execution.
- GRIL is consciously focusing on leveraging its road sector experience and foray into other infrastructure sectors. As of now, it is looking at segments such as a) railways: projects involving earthwork and track linking b) Metros: civil engineering work and c) power transmission (tariff-based competitive bidding). It bagged its first Power transmission project in FY22. GRIL would bid for projects in these sectors, if the company can continue to maintain its current margin profile. Apart from segmental diversification, GRIL would also focus on geographical diversification, allowing it to capitalise on growth opportunities across India.

### Focus on asset monetization; at advanced stage of floating InvIT

- The company plans to focus on asset monetization, allowing it to bid for more projects and also help maintain a lean balance sheet.
- GRIL is in the process of sponsoring an Infrastructure Investment Trust (InvIT), Bharat Highways InvIT. The Company would also act as the Project Manager of the InvIT and is looking to transfer some of its HAM assets to the trust. The InvIT is likely to be floated by the end of FY23.

### Strong execution capabilities augurs well; strongly placed to capitalize on the huge industry opportunity

- GRIL has consistently displayed robust execution capabilities since its inception. This has been possible with a) strong in-house design and engineering team with proven expertise b) Central procurement team supervising the procurement plan c) On-site project management to ensure operational efficiencies, etc.
- FY22 project wins were impacted by intense competition in the Roads segment. With a cyclical competitive landscape, the Company expects strong growth ahead.
- As the company plans to bid for several projects across the Road and Railways segment, it is looking at increased order inflows in FY23.

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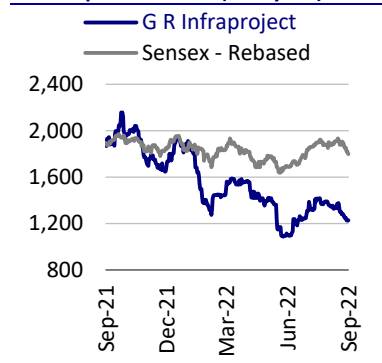
**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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

**Shareholding pattern (%)**

As On	Jun-22	Mar-22	Jun-21
Promoter	86.5	86.5	86.5
DII	9.7	9.8	0.0
FII	0.2	0.3	0.0
Others	3.5	3.4	13.5

FII Includes depository receipts

**Stock's performance (one-year)****Operations backed by integrated business model; earned early completion bonus of INR4.3b since inception**

- GRIL operates with an integrated business model, which allows a) efficient designing b) reduction of pilferage, equipment downtime, and inefficiencies in the supply chain and c) cost control, better-quality management, and timely delivery. This has been possible due to its in-house teams, in-house manufacturing facilities, and own equipment base.
- Since inception, the Company has been demonstrating its efficient execution capabilities by completing several projects before time and has earned INR4.3b as early completion bonus over the period.

**Focus on ESG initiatives**

- The management is focused on minimizing its environmental footprint by prudent use of resources such as fuel, electricity, water, and raw materials. GRIL is consciously trying to increase dependence on renewable energy sources.
- The Company has been consistently investing in education, environment sustainability, economic empowerment, rural development, health care and sanitation.
- The Board comprises an appropriate balance of knowledge, skills, experience, diversity, and independence to objectively and effectively discharge its governance roles and responsibilities. 50% of the board consists of Independent Directors and it also includes one woman director.

**Valuation and view**

- Order inflows during the last quarter of FY22 have pumped up the order book (currently stands at ~INR170b excluding L1), placing the Company in a comfortable position.
- The entry into newer segments such as power T&D enhances the potential market opportunity for the Company. Execution of asset monetization strategy through the InVIT route could further boost its growth prospects.
- With the current order book and robust tender pipeline, we expect GRIL to clock 12% revenue growth over FY22-24, with the EBITDA margin ranging between 16 and 18%. We retain our BUY rating with a TP of INR1,630 based on an SoTP valuation.

## Highlights from the Annual Report

### Robust order inflows received during FY22 driven by the Roads segment

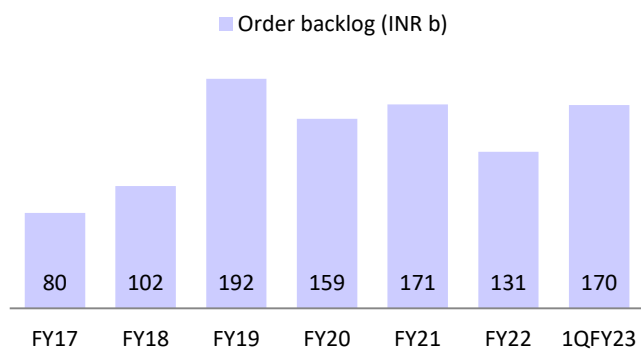
- In FY22, GR Infra won 10 projects with a combined order value of INR 93.5b. Majority of the orders was received during 4Q FY22, pumping up the order book.
- With these order wins, the total order book of GRIL currently stands at INR 170b, of which, projects from NHAI constitute 92%. In terms of the geographical mix of the order book, Maharashtra/Gujarat/Madhya Pradesh contribute 20%/14%/11%, respectively.

**Exhibit 1: In FY22, GRIL bagged orders worth ~INR 94b across seven states**

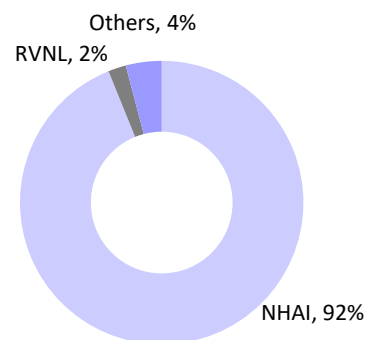
S.No.	State	Scope of Work	Value (INR b)
1	Punjab	❖ Development of 6-lane Amritsar-Bathinda Greenfield section of NH-754A as a part of AmritsarJamnagar Economic Corridor (HAM)	9.3
2	Punjab	❖ Construction of Four / Six lane Greenfield Ludhiana – Rupnagar National Highway No. NH-205K (HAM)	9.5
3	Gujarat	❖ Upgradation to Four Lane with paved Shoulder of NH-341 from Bhimasar, Junction of NH-41 to Anjar- Bhuj in the State of Gujarat (HAM)	10.9
4	MP	❖ Transmission System for Evacuation of Power from RE Projects in Rajgarh (2500 MW) SEZ in Madhya Pradesh (BOOT)	4.3
5	MP	❖ 4-laning of Ujjain-Badnawar Section of NH 752D from km 26.9 to km 96.00 (length- 69.1 km) in the State of Madhya Pradesh (HAM)	9.1
6	Rajasthan	❖ Construction of 4-Lane Greenfield Expressway spur from Delhi-Vadodara Greenfield Expressway near Bandikui to Jaipur in the state of Rajasthan (HAM)	13.7
7	Maharashtra	❖ Four laning of existing 2-lane stretch from Govindpur (MH/TG Border) to Rajura (Design Length – 56.180 Km.) section of NH-353B in the State of Maharashtra (HAM)	9.1
8	Maharashtra	❖ Four laning of existing 2-lane stretch from Bamni to MH/TG Border (Design Km. 51.985) section of NH-930D in the State of Maharashtra (HAM).	8.4
9	Karnataka	❖ Construction of Elevated Structures of length 7.50km (approx.) from Gottigere to Swagath Road Cross, road widening & allied works and 5 Numbers of Metro Stations in Reach-6 line of Bangalore Metro Rail Project, Phase-2 (Metro)	3.7
10	Andhra Pradesh	❖ Construction of Four Laning of NH-71 from Madanapalle to Pileru (Design length= 55.900 Km) in the State of Andhra Pradesh (HAM)	15.8

Source: Company, MOFSL

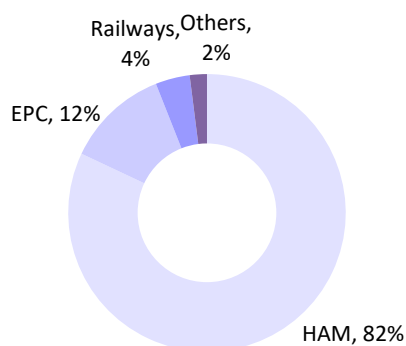
- GRIL currently has presence in 19 states, reducing geographic concentration risk, while enabling it to capitalize on infrastructure development opportunity across India.
- In FY22, GR Infra also ventured into Power Transmission business and won a transmission project in MP (EPC value of INR4.3b)
- Currently, GRIL's order book is driven by the HAM segment (82% of order book), followed by EPC at 12%. Railways and power transmission constitute 4% and 2%, respectively.

**Exhibit 2: Order book remains robust**

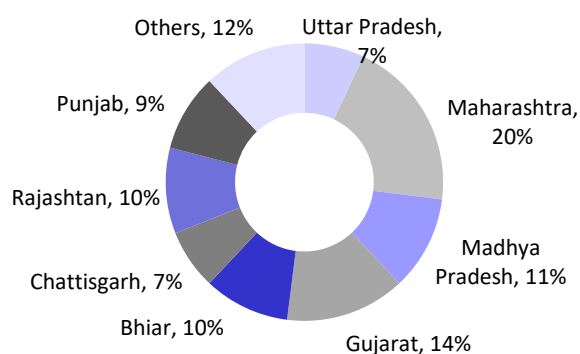
Source: Company, MOFSL

**Exhibit 3: NHAI constitutes ~92% of current order book**

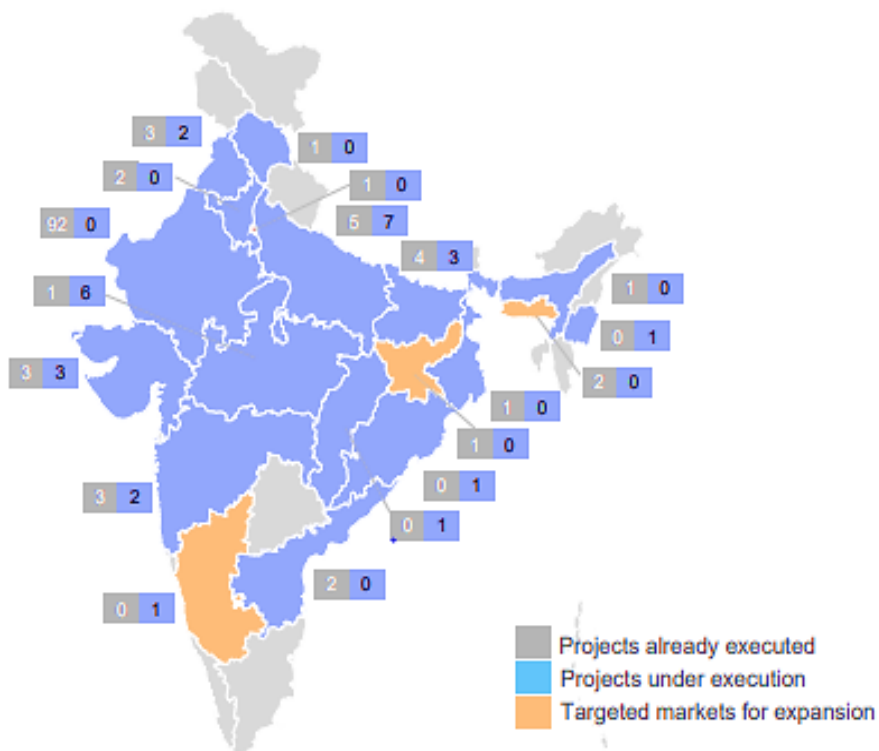
Source: Company, MOFSL

**Exhibit 4: HAM projects dominate the current order book**

Source: Company, MOFSL

**Exhibit 5: Geographical mix of the current order book**

Source: Company, MOFSL

**Exhibit 6: Market presence in 19 states of India**

Source: Company, MOFSL

### Venturing into new businesses as part of diversification strategy

- GRIL will continue to focus on road EPC/HAM business and continue to maintain its market position while seeking to leverage road sector experience in other infrastructure sectors such as railways, metro, ropeways, and power transmission
- In 2021, GRIL was awarded its first metro rail project in Bengaluru and Noida
- Apart from road construction, the company has also ventured into the Power Transmission business as a part of its diversification strategy and has bagged one power transmission project in FY22
- Further, GRIL has presence in 19 states, thereby minimizing its geographical concentration risk. In FY22, the company bagged new orders worth INR 93.5b across seven states.

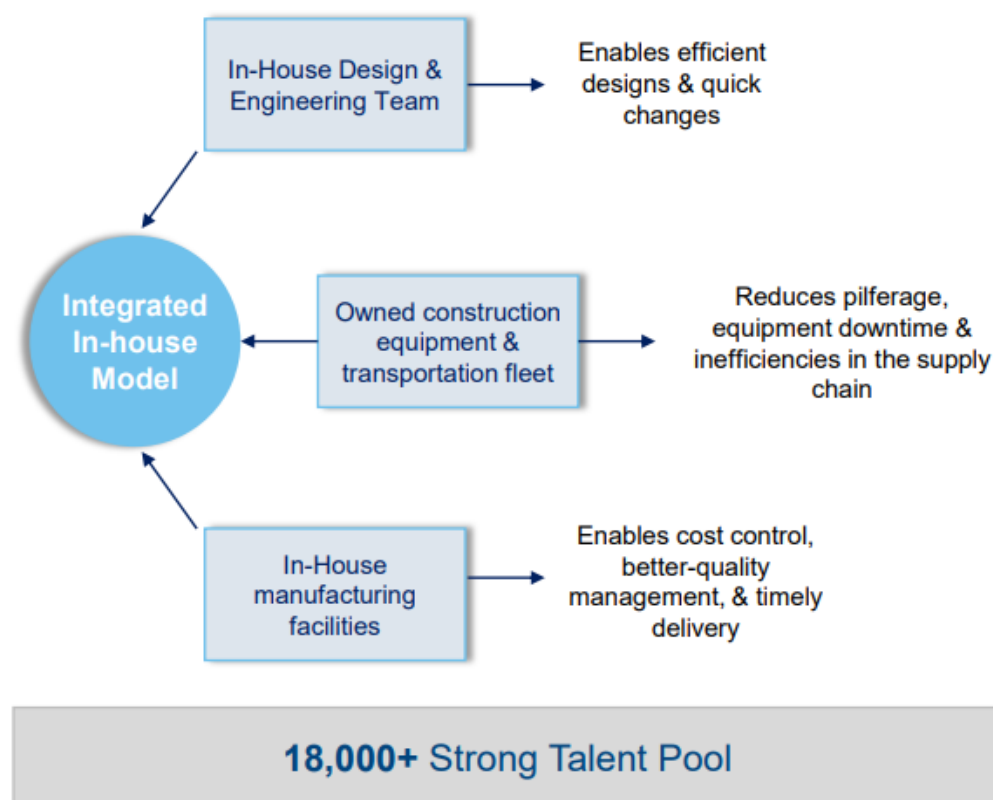
### Exhibit 7: Key focus areas



Source: Company, MOFSL

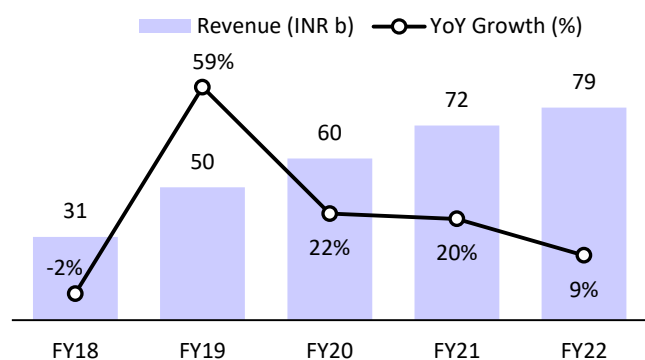
### Integrated operations deliver best in class execution

- GRIL has consistently displayed robust execution capabilities since its inception. This has been possible with a) strong in-house design and engineering b) Central procurement systems and c) On-site project management team.
- The Company has been able to complete several projects before time and has earned a whopping INR4.3b as early completion bonus till date, demonstrating its efficient execution capabilities.

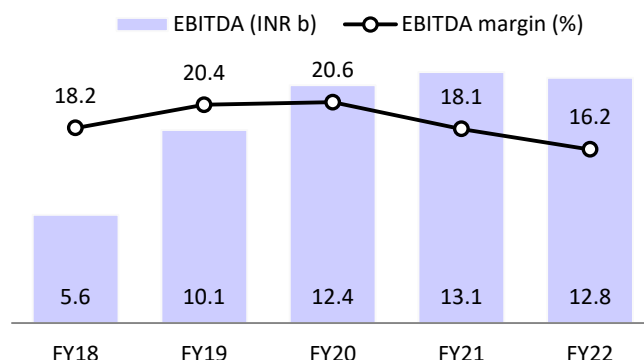
**Exhibit 8: Integrated business model brings in efficiency**

Source: Company, MOFSL

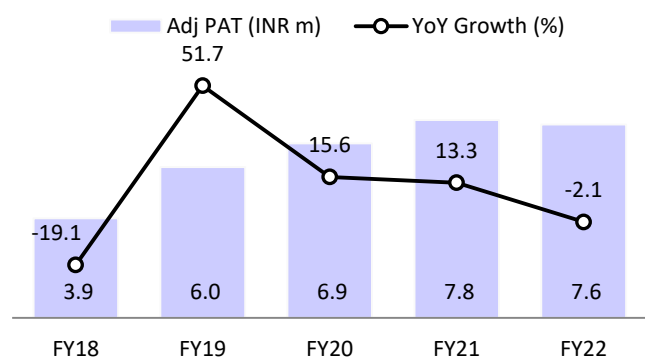
- In FY22, revenue grew 9% YoY and EBITDA margin stood at 16.2% (-190bp YoY).

**Exhibit 9: Revenue Trend**

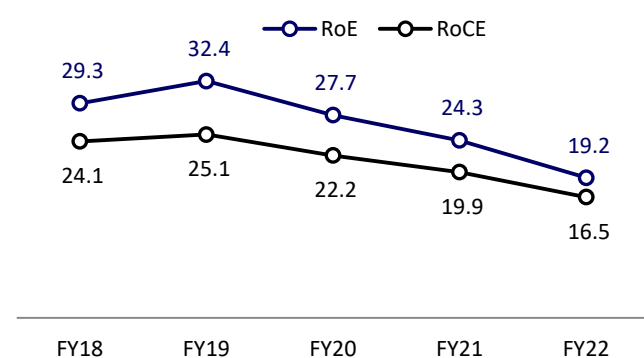
Source: Company, MOFSL

**Exhibit 10: EBITDA & EBITDA Margin**

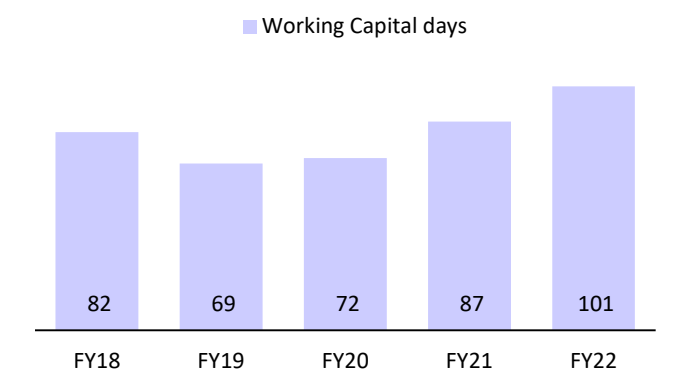
Source: Company, MOFSL

**Exhibit 11: APAT growth robust**

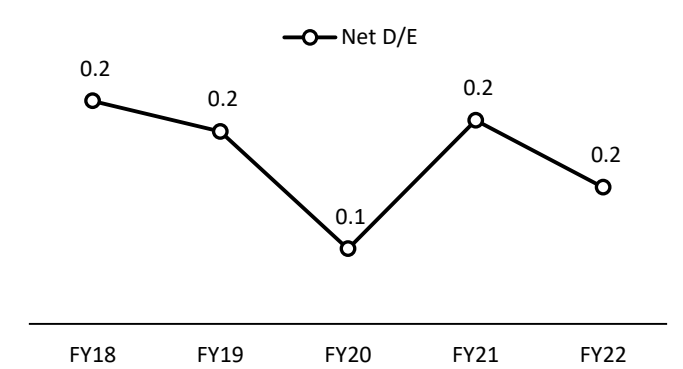
Source: Company, MOFSL

**Exhibit 12: Return ratios**

Source: Company, MOFSL

**Exhibit 13: Working Capital has been under control**

Source: Company, MOFSL

**Exhibit 14: Net D/E one of lowest in the industry**

Source: Company, MOFSL

**Asset Monetization in focus – InvIT to be floated soon**

- Asset Monetization would be the focus area for the Company as it would allow it to bid for more projects and help maintain a lean balance sheet.
- GRIL is in the process of sponsoring an Infrastructure Investment Trust (InvIT), Bharat Highways InvIT. The Company would also act as the Project Manager of the InvIT and is looking to transfer some of its HAM assets to the trust. In turn, GRIL will receive units of the InvIT or its outstanding units will be purchased with cash. The InvIT is likely to be floated by the end of FY23.

**Significant tailwinds in the infrastructure sector, supported by various government initiatives**

- India has the world's second-largest road network, spanning a total of over 6.3 m kms. The road network of the country consists of National Highways (NH), State-Highways (SH), District Roads, Rural Roads, Urban Roads, and Project Roads.
- In order to encourage private sector participation, the Ministry has laid down a comprehensive policy guideline for private sector participation in the development of National Highways.
- Ministry of Finance (MoF) has formulated PM Gati-Shakti Master plan to complete 25,000 kms of national highways in FY23.

**Bharatmala Pariyojana**

- The Government of India has launched major initiatives to upgrade and strengthen National Highways through various phases of the National Highways Development Project (NHDP).
- A total of 604 of road projects with an aggregate length of 20,965 kms have been approved and awarded under the Bharatmala Pariyojana with a cumulative capital cost of INR 6,410 b.

**PM Gati Shakti Master Plan**

- The PM Gati-Shakti National Master Plan was launched to break departmental silos and bring 16 ministries including railways and roadways together for integrated planning and coordinated implementation of infrastructure connectivity projects.



- The plan is expected to incorporate the infrastructure schemes of various Ministries and State Governments such as Bharatmala, Sagarmala, inland waterways, dry/land ports, and UDAN.

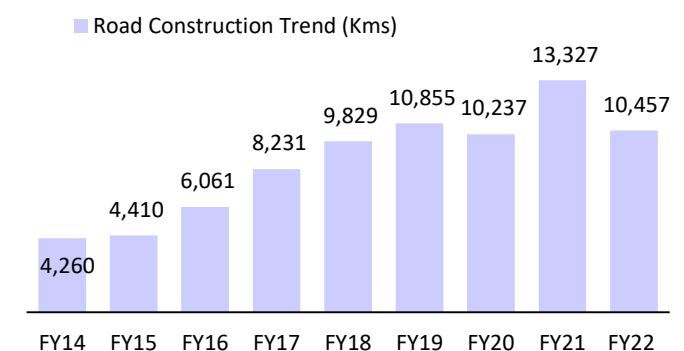
### Railway and Metro

- Indian Railways is among the world's largest railway network, and its route length network is spread over 13,500 passenger trains and 8,479 freight trains, plying 23m travellers and 3 MT of freight daily from 7,349 stations.
- The capital expenditure outlay for FY22 was INR 2,150 bn, which is five times more than that of the 2014 level.
- By 2030, the company expects to see an increased level of capital expenditure in the railway sector.

### Power Transmission

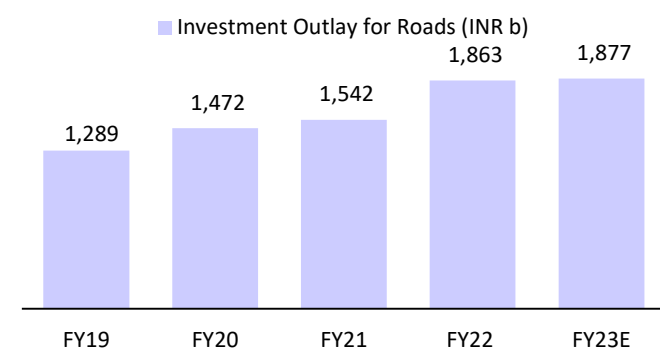
- Transmission capacities are expected to grow at an accelerated pace, owing to the renewed government focus on alleviating congestion, providing reliable power to all citizens, and strengthening inter-regional grid availability.

**Exhibit 15: Road infrastructure in India**



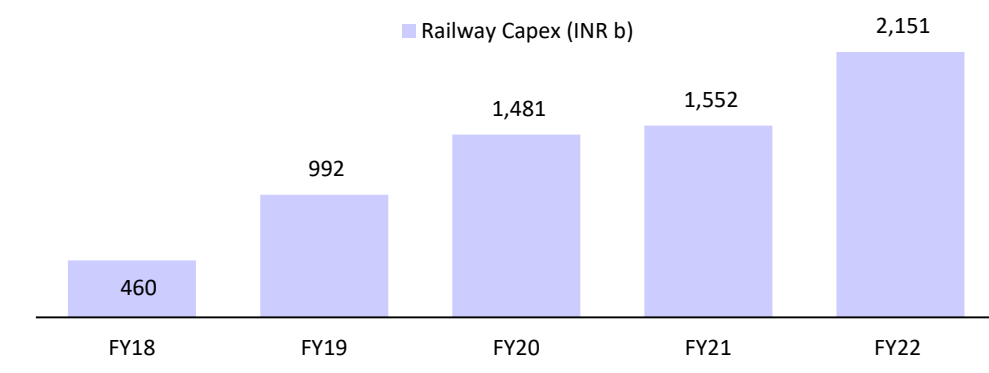
Source: Company, MOFSL

**Exhibit 16: Investment outlay on Road sector**



Source: Company, MOFSL

**Exhibit 17: Railway Capex**



Source: Company, MOFSL



### Key Strategies for future growth

- Focus on execution of existing projects while seeking opportunities to expand the portfolio of road projects through focused and selective bidding.
- Focus on projects of higher contract value with geographical advantages
- Invest in latest equipment and technologies to support expanding operations and growth
- Focus on geographical diversification to reduce risk and capitalizing on different growth opportunities in various states across India.
- Monetization of assets through the infrastructure investment trusts route.
- Leverage road sector experience to foray in other infrastructure sectors such as metro, railways, and power transmission
- Refinancing debt in Operational SPVs, resulting in reduced rate of interest (by ~1.5% per annum)
- Exploring other means of raising capital, such as by setting up an appropriate infrastructure investment trust.

### ESG initiatives

#### Environment

- The management is focused on minimizing its environmental footprint through prudent use of resources such as fuel, electricity, water, and raw materials.
- GRIL is consciously trying to increase dependence on renewable energy sources.

#### Social

- All CSR initiatives of the Company are being undertaken either by the Company on its own or through G R Infra Social Welfare Trust. The trust is sponsored by the Company to further the CSR initiatives and promote inclusive growth.
- In FY22, GRIL spent INR 40m towards CSR out of its total obligation of INR 190m.
- **Education:** Undertook the construction of college building in Sahwa, Rajasthan. Provided Financial Support for Education in Delhi
- **Healthcare:** GRIL undertook the construction of a Sidhmukh hospital and provided medical support to Bharat Vikas Parishad, Maharana Pratap Nyas in Gurugram, Haryana.
- **Rural Development:** Constructed warehouses to store dry husk for cows at Shri Mahaveer Gaushala Kalyan Sansthan. To support young athletes, GRIL supplied kabaddi mats for training across various districts of Uttar Pradesh
- **Relief and Rehabilitation:** Provided financial assistance to contain Covid-19 in Gujarat and Madhya Pradesh. Supplied and installed oxygen generator plant at Level 2 COVID Hospital in Sultanpur, Uttar Pradesh
- The Company has been consistently investing in education, environment sustainability, economic empowerment, rural development, health care, and sanitation.

#### Governance

- Considering the future development plans of the company, the Board of Directors has decided not to recommend any dividend to the shareholders for FY22
- The Board comprises an appropriate balance of knowledge, skills, experience, diversity, and independence to objectively and effectively discharge its

governance roles and responsibilities. 50% of the board comprises Independent Directors and it also includes one woman director.

- Upon mandatory rotation of M/s B S R & Associates LLP, the shareholders of the Company at their AGM held in Sep-2021 have appointed M/s. SRBC & Co. LLP as the statutory auditors for a period of five years from the conclusion of 25th AGM till the conclusion of the 30th AGM.

### Valuation and view

With an order book of INR170b, excluding L1, we expect GRIL to clock 12% revenue growth over FY22-24E, with EBITDA margin in the 16-18% range. We retain our BUY rating with a TP of INR1,630 based on an SoTP valuation.

### Exhibit 18: SoTP Target Price stands at INR1,630/share

Particulars	INR m	Per share (INR)
<b>Standalone</b>		
March'24E Core PAT	10,079	
Target PE multiple	13.0	
<b>Standalone valuation</b>	<b>1,31,023</b>	<b>1,352</b>
<b>Asset business</b>		
March'24E Inv.	27,000	
<b>1.0x Investment value in BOT assets</b>	<b>27,000</b>	<b>278</b>
<b>Total</b>	<b>1,58,023</b>	<b>1,630</b>

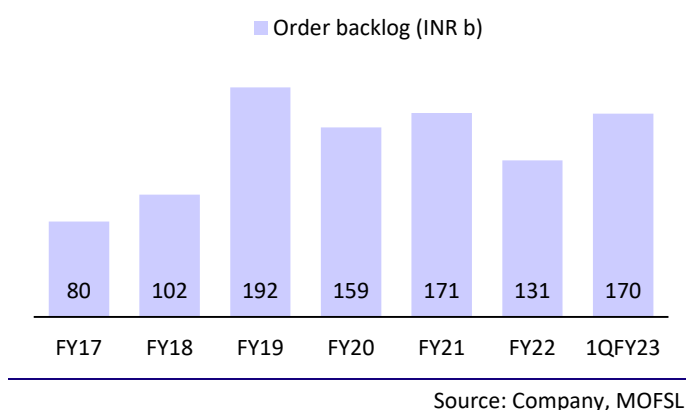
Source: MOFSL, Company

### Key Risks

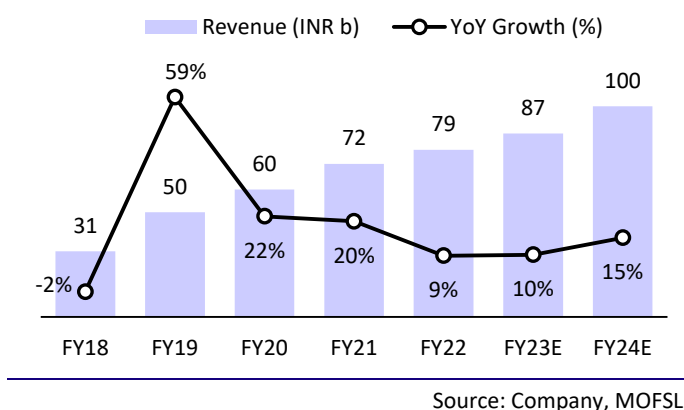
- **Competition Risk:** There has been increasing competition over the past few years in most of the business streams the Company operates in.
- **Geographical Risk:** The Company is operating in multiple states and is exposed to risks on account of different site conditions, labor requirements, and related regulatory compliances.
- **Disruption of Operations Risk:** This risk could occur due to various factors such as supply chain disruption, dependency on sub-contractors, and unavailability of plant & equipment.

## Story in charts

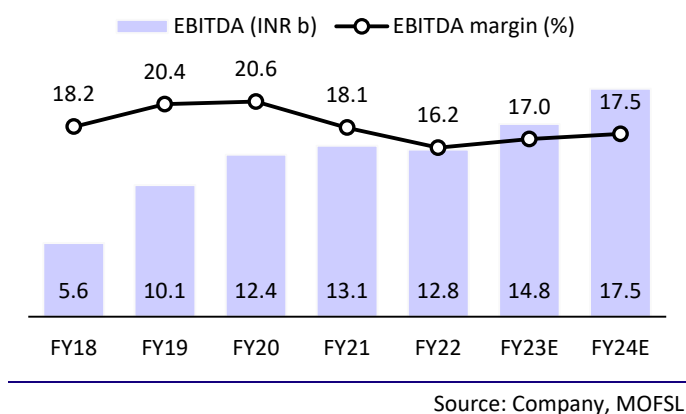
**Exhibit 19: Robust order book position provides visibility**



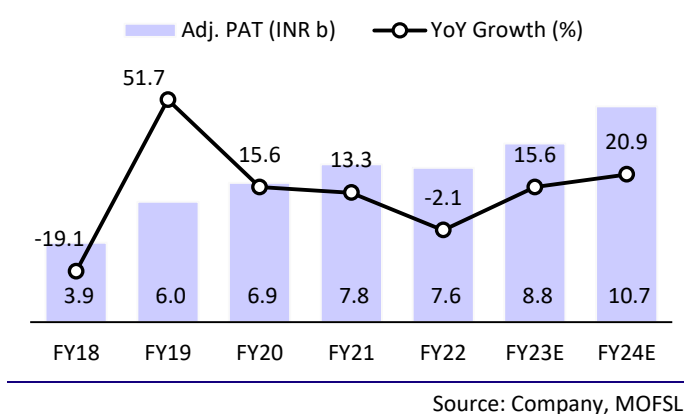
**Exhibit 20: Healthy order book will support revenue growth**



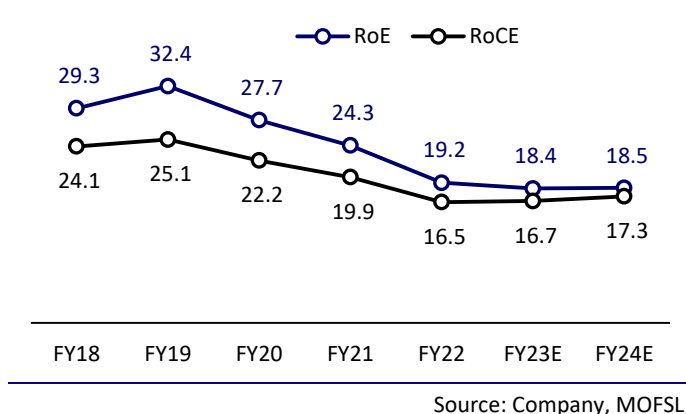
**Exhibit 21: Margin to improve with easing in commodity prices**



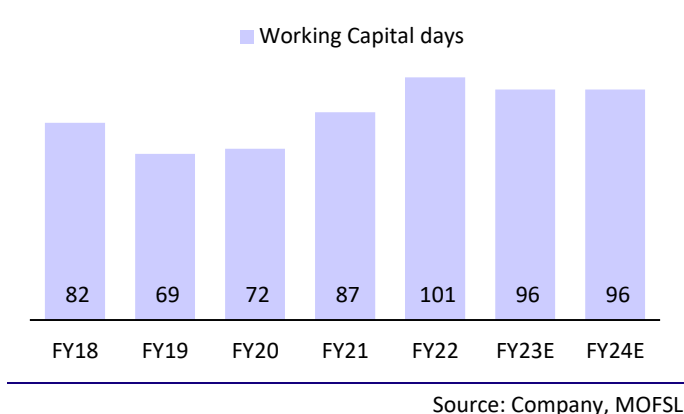
**Exhibit 22: Strong operating performance to drive PAT**



**Exhibit 23: Return ratios remain elevated**



**Exhibit 24: Comfortable working capital position**



## Financials and valuations

Income Statement							(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Net Sales</b>	<b>31,047</b>	<b>49,502</b>	<b>60,278</b>	<b>72,445</b>	<b>79,192</b>	<b>86,813</b>	<b>99,793</b>
Change (%)	(2.1)	59.4	21.8	20.2	9.3	9.6	15.0
<b>Total Expenditure</b>	<b>25,401</b>	<b>39,428</b>	<b>47,865</b>	<b>59,341</b>	<b>66,381</b>	<b>72,055</b>	<b>82,330</b>
As a percentage of Net Sales	81.8	79.6	79.4	81.9	83.8	83.0	82.5
<b>EBITDA</b>	<b>5,646</b>	<b>10,074</b>	<b>12,413</b>	<b>13,104</b>	<b>12,811</b>	<b>14,758</b>	<b>17,464</b>
As a percentage of Net Sales	18.2	20.4	20.6	18.1	16.2	17.0	17.5
Depreciation	806	1,381	1,868	2,268	2,816	3,060	3,456
<b>EBIT</b>	<b>4,840</b>	<b>8,693</b>	<b>10,545</b>	<b>10,835</b>	<b>9,994</b>	<b>11,698</b>	<b>14,008</b>
Interest	630	1,057	1,452	1,396	1,269	1,126	961
Other Income	518	674	938	1,275	1,324	1,222	1,222
EO Items	-	-	-	-	31	-	-
<b>PBT</b>	<b>4,728</b>	<b>8,310</b>	<b>10,030</b>	<b>10,715</b>	<b>10,050</b>	<b>11,795</b>	<b>14,268</b>
Tax	800	2,353	3,142	2,908	2,411	2,960	3,591
Rate (%)	16.9	28.3	31.3	27.1	24.0	25.1	25.2
<b>Reported PAT</b>	<b>3,927</b>	<b>5,957</b>	<b>6,888</b>	<b>7,806</b>	<b>7,639</b>	<b>8,834</b>	<b>10,677</b>
<b>Adjusted PAT</b>	<b>3,927</b>	<b>5,957</b>	<b>6,888</b>	<b>7,806</b>	<b>7,608</b>	<b>8,834</b>	<b>10,677</b>
Change (%)	(32.6)	51.7	15.6	13.3	(2.1)	15.6	20.9

Balance Sheet							(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Share Capital	485	485	485	483	483	483	483
Reserves	14,895	20,919	27,785	35,561	43,152	51,986	62,663
<b>Net Worth</b>	<b>15,380</b>	<b>21,404</b>	<b>28,270</b>	<b>36,044</b>	<b>43,636</b>	<b>52,470</b>	<b>63,147</b>
Loans	6,148	10,607	10,740	13,511	11,020	9,020	7,020
Deferred Tax Liability	(1,284)	(685)	646	638	438	438	438
<b>Capital Employed</b>	<b>20,244</b>	<b>31,326</b>	<b>39,656</b>	<b>50,193</b>	<b>55,094</b>	<b>61,928</b>	<b>70,605</b>
Gross Fixed Assets	7,971	12,197	15,289	20,585	24,797	27,297	30,297
Less: Depreciation	1,820	3,172	4,967	7,134	9,950	13,011	16,466
<b>Net Fixed Assets</b>	<b>6,151</b>	<b>9,025</b>	<b>10,322</b>	<b>13,451</b>	<b>14,846</b>	<b>14,286</b>	<b>13,830</b>
Capital WIP	475	433	280	555	594	594	594
Investments	2,295	2,572	2,550	3,636	3,236	9,736	16,236
<b>Curr. Assets</b>	<b>19,228</b>	<b>32,126</b>	<b>38,755</b>	<b>45,935</b>	<b>48,457</b>	<b>51,723</b>	<b>56,510</b>
Inventory	2,986	6,136	7,684	10,584	10,218	11,201	12,876
Debtors	6,556	8,778	8,218	8,676	7,155	7,844	9,017
Cash and Bank Balance	2,367	6,064	8,403	5,416	4,450	4,442	3,655
Loans and Advances	423	400	503	558	-	-	-
Loans and advances (related party)	1,959	3,839	6,292	9,937	9,995	9,995	9,995
Other Current Assets	4,937	6,908	7,655	10,764	16,639	18,240	20,967
<b>Current Liab. and Prov.</b>	<b>7,905</b>	<b>12,830</b>	<b>12,250</b>	<b>13,384</b>	<b>12,040</b>	<b>14,410</b>	<b>16,565</b>
Creditors	3,474	5,189	5,570	7,283	7,169	8,681	9,979
Other current Liabilities	4,404	7,575	6,536	5,871	4,397	5,209	5,988
Provisions	27	66	144	230	474	520	598
<b>Net Current Assets</b>	<b>11,323</b>	<b>19,296</b>	<b>26,505</b>	<b>32,551</b>	<b>36,418</b>	<b>37,313</b>	<b>39,945</b>
<b>Application of Funds</b>	<b>20,244</b>	<b>31,326</b>	<b>39,656</b>	<b>50,193</b>	<b>55,094</b>	<b>61,928</b>	<b>70,605</b>

## Financials and valuations

### Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Basic (INR)</b>							
EPS	40.5	61.4	71.0	80.7	79.0	91.4	110.4
Cash EPS	48.8	75.7	90.3	104.2	107.8	123.0	146.2
Book Value	159	221	292	373	451	543	653
DPS	-	-	-	-	-	-	-
Payout (incl. Div. Tax.)	-	-	-	-	-	-	-
<b>Valuation (x)</b>							
P/E	30.3	20.0	17.3	15.2	15.6	13.5	11.1
Cash P/E	25.2	16.2	13.6	11.8	11.4	10.0	8.4
Price/Book Value	7.7	5.6	4.2	3.3	2.7	2.3	1.9
EV/Sales	4.0	2.5	2.0	1.8	1.6	1.4	1.2
EV/EBITDA	21.8	12.3	9.8	9.7	9.8	8.4	7.0
Dividend Yield (%)	-	-	-	-	-	-	-
FCF/Share	(30.4)	18.8	55.5	(7.0)	13.0	86.8	77.1
<b>Profitability Ratios (%)</b>							
RoE	29.3	32.4	27.7	24.3	19.2	18.4	18.5
RoCE	24.1	25.1	22.2	19.9	16.5	16.7	17.3
RoIC	36.8	33.4	28.6	22.9	17.4	18.6	21.6
<b>Turnover Ratios</b>							
Fixed Asset Turnover (x)	3.9	4.1	3.9	3.5	3.2	3.2	3.3
Asset Turnover (x)	1.5	1.6	1.5	1.4	1.4	1.4	1.4
Inventory (Days)	35	45	47	53	47	47	47
Debtor (Days)	77	65	50	44	33	33	33
Creditor (Days)	41	38	34	37	33	37	37
<b>Leverage Ratio</b>							
Current Ratio	2.4	2.5	3.2	3.4	4.0	3.6	3.4
Interest Coverage Ratio	7.7	8.2	7.3	7.8	7.9	10.4	14.6
Net Debt/Equity ratio (x)	0.2	0.2	0.1	0.2	0.2	0.1	0.1

### Cash Flow Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>PBT before EO Items</b>	<b>4,728</b>	<b>8,310</b>	<b>10,030</b>	<b>10,715</b>	<b>10,019</b>	<b>11,795</b>	<b>14,268</b>
Add: Depreciation	806	1,381	1,868	2,268	2,816	3,060	3,456
Interest	351	493	1,158	275	391	(97)	(260)
Less: Direct Taxes Paid	(1,241)	(1,859)	(1,752)	(2,689)	(2,651)	(2,960)	(3,591)
(Inc.)/Dec. in WC	(4,686)	(1,809)	(2,993)	(6,094)	(4,969)	(903)	(3,420)
<b>CF from Operations</b>	<b>(41)</b>	<b>6,516</b>	<b>8,312</b>	<b>4,474</b>	<b>5,606</b>	<b>10,895</b>	<b>10,452</b>
(Inc.)/Dec. in FA	(2,905)	(4,689)	(2,927)	(5,148)	(4,346)	(2,500)	(3,000)
<b>Free Cash Flow</b>	<b>(2,947)</b>	<b>1,827</b>	<b>5,385</b>	<b>(674)</b>	<b>1,259</b>	<b>8,395</b>	<b>7,452</b>
(Pur.)/Sale of Investments	89	36	89	75	120	-	-
Others	(2,944)	(1,806)	(1,387)	(2,725)	1,854	(6,500)	(6,500)
<b>CF from Investments</b>	<b>(5,761)</b>	<b>(6,458)</b>	<b>(4,225)</b>	<b>(7,798)</b>	<b>(2,373)</b>	<b>(9,000)</b>	<b>(9,500)</b>
Issue of Shares	-	-	-	(14)	-	-	-
Inc./(Dec). in Debt	3,026	3,456	1,328	2,805	(2,840)	(2,000)	(2,000)
Less: Interest Paid	(500)	(725)	(1,777)	(1,475)	(967)	97	260
Dividend Paid	-	-	-	-	-	-	-
Others	252	908	(1,299)	(980)	(391)	-	-
<b>CF from Fin. Activity</b>	<b>2,778</b>	<b>3,639</b>	<b>(1,748)</b>	<b>337</b>	<b>(4,198)</b>	<b>(1,903)</b>	<b>(1,740)</b>
<b>Inc./Dec. in Cash</b>	<b>(3,024)</b>	<b>3,697</b>	<b>2,339</b>	<b>(2,987)</b>	<b>(965)</b>	<b>(8)</b>	<b>(788)</b>
Add: Beginning Balance	5,391	2,367	6,064	8,403	5,416	4,451	4,442
<b>Closing Balance</b>	<b>2,367</b>	<b>6,064</b>	<b>8,403</b>	<b>5,416</b>	<b>4,451</b>	<b>4,442</b>	<b>3,655</b>

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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