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PSP Projects

2QFY19 Result: Estimate (↑), Target (↑), Rating (↔)

Regular Coverage

Absolute : LONG
Relative : Overweight
38% in 14 Months

Strong OB continues to offer medium-term revenue visibility – retain LONG

Construction

PSP's 2QFY19 revenues came at Rs 2.1bn, up 50% yoy and 11% ahead of EE led by strong execution ramp up from SDB project and improved traction from other projects. Company's OB currently stands at ~Rs 26bn and book to bill ratio stands at ~3x on TTM revenues. We expect execution to remain strong going ahead as well led by SDB project and expect company to maintain a steady state EBITDAM of ~13.5-14%. We raise our standalone sales/EBITDA estimates by 3%/13% and for FY19E to factor in higher execution due to a strong OB. We expect company to post Revenue/EBITDA CAGR of 32% over FY18-21E. Retain LONG with a Dec'19 TP of Rs 544 (Rs 538 earlier) set at 18x Dec'19 TTM EPS (18x earlier).

Strong OB gives visibility for 2-3yrs; incremental orders to aid growth ahead: As on Sep'18, PSP's order book stood at ~Rs 26bn, implying a book-to-bill of 3x on TTM revenues with avg. execution period of 18-30 months (EE: 25-30 months). Company has managed to win Rs 4.3bn of additional order in 1HFY19 (Rs 3.8bn in 2Q19). Additionally, company has participated in another Rs 30bn of projects with a historical strike ratio of 20%. It is also at final stage of negotiations with clients in 3-4 projects, 2 of which are decent sized orders, though it is yet to receive LOAs. PSP remains confident of securing repeat orders (10-15% of current OB) from its existing client base as well. Surat Diamond Bourse (SDB) project continues to see good revenue traction and it generated Rs 1.4bn of revenues in 1HFY19. Management expects this project to generate revenues of Rs 4.5bn in FY19E and 8bn in FY20E respectively. We feel its order pipeline would continue to swell with robust construction at GIFT, capex by Gujarat corporates and new orders from Gujarat/other states. Management remains confident of getting additional order inflows of Rs 10bn/13bn over the next two years.

B/S remains strong and control on WC remains stringent giving confidence on capital allocation: PSP had a cash position of Rs 2.1bn as of Sep'18, mostly used as collateral towards bank/performance guarantees for project execution. Strong inventory and receivable management, good creditor relations and selective bidding (in projects with upfront interest free mobilization advances of 5-10% while avoiding residential/other govt. projects) has helped in maintaining negative WC over past 6 years. While WC cycle would stretch over next three years with a higher avg. ticket size of projects, strict WC control and positive cash flows would keep net cash balance steady at ~Rs 2.5bn by FY21E.

View: With a strong order book, solid execution capability, cash-rich B/S and upcoming opportunities in key markets, we remain positive on PSP's long-term business prospects Retain LONG with a Dec'19 TP of Rs 544. **Risks:** Key man dependence, below-expected order inflows required to support growth post FY20, addition of margin-dilutive orders.

Change in Standalone Estimates

			% change over previous estimates	
	FY19E	FY20E	FY19E	FY20E
Sales	10,833	15,090	3%	0%
EBITDA	1,499	2,073	13%	8%
PAT	883	1,200	8%	2%
EPS	24.5	33.3	9%	2%

Consolidated Financials

Rs. Mn	YE Mar	FY18A	FY19E	FY20E	FY21E
Sales		7,516	10,833	15,090	16,940
EBITDA		1,046	1,499	2,073	2,357
Depreciation		115	236	291	328
Interest Expense		93	99	115	138
Other Income		186	208	210	212
Reported PAT		655	883	1,200	1,346
Recurring PAT		655	883	1,200	1,346
Total Equity		3,014	3,632	4,485	5,426
Gross Debt		281	335	425	515
Cash		2,431	1,804	2,294	2,975
Rs Per Share		FY18A	FY19E	FY20E	FY21E
Earnings		18.2	24.5	33.3	37.4
Book Value		84	101	125	151
Dividends		5.0	6.3	8.2	9.6
FCFF		-12.9	-9.8	22.8	30.1
P/E (x)		21.0	15.6	11.5	10.2
P/B (x)		4.6	3.8	3.1	2.5
EV/EBITDA (x)		12.8	9.4	6.6	5.6
ROE (%)		32%	27%	30%	27%
Core ROIC (%)		71%	65%	54%	51%
EBITDA Margin (%)		14%	14%	14%	14%
Net Margin (%)		9%	8%	8%	8%

Rating Information	
Price (Rs)	382
Target Price (Rs)	544
Target Date	31st Dec'19
Target Set On	6th Nov'18
Implied yrs of growth (DCF)	10
Fair Value (DCF)	395
Fair Value (DDM)	203
Ind Benchmark	SPBSMIP
Model Portfolio Position	NA

Stock Information	
Market Cap (Rs Mn)	13,747
Free Float (%)	27.04 %
52 Wk H/L (Rs)	596/358.3
Avg Daily Volume (1yr)	56,953
Avg Daily Value (Rs Mn)	27
Equity Cap (Rs Mn)	360
Face Value (Rs)	10
Bloomberg Code	PSPPL IN

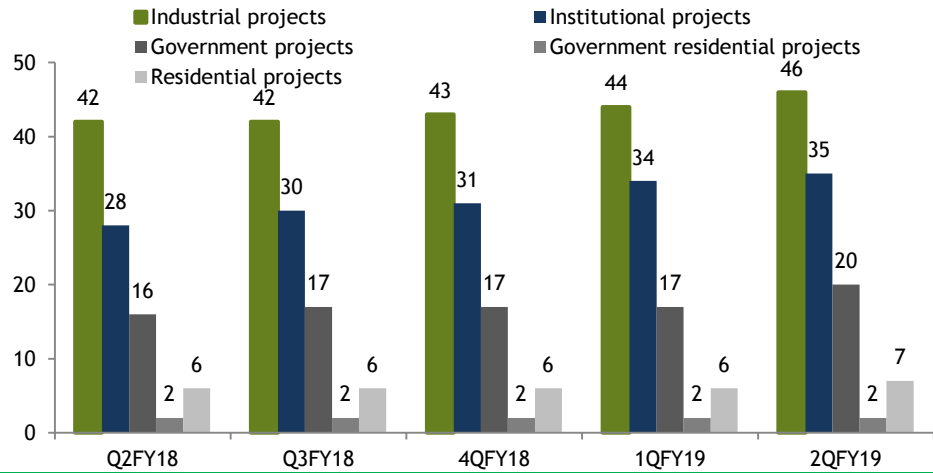
Ownership	Recent	3M	12M
Promoters	73.0 %	0.5 %	1.0 %
DII	8.3 %	-0.1 %	-2.2 %
FII	1.3 %	0.1 %	0.1 %
Public	17.4 %	-0.5 %	1.1 %
Price %	1M	3M	12M
Absolute	-7.2 %	-20.6 %	-8.2 %
Vs Industry	-13.0 %	-12.1 %	3.2 %
AHLUCONT	14.3 %	-4.8 %	-9.9 %
CAPACITE	7.4 %	-25.0 %	-43.8 %

Standalone Quarterly EPS forecast				
Rs/Share	1Q	2Q	3Q	4Q
EPS (18A)	3.8	3.5	4.2	6.4
EPS (19E)	5.9	4.9	5.1	8.7

Quarterly performance, standalone

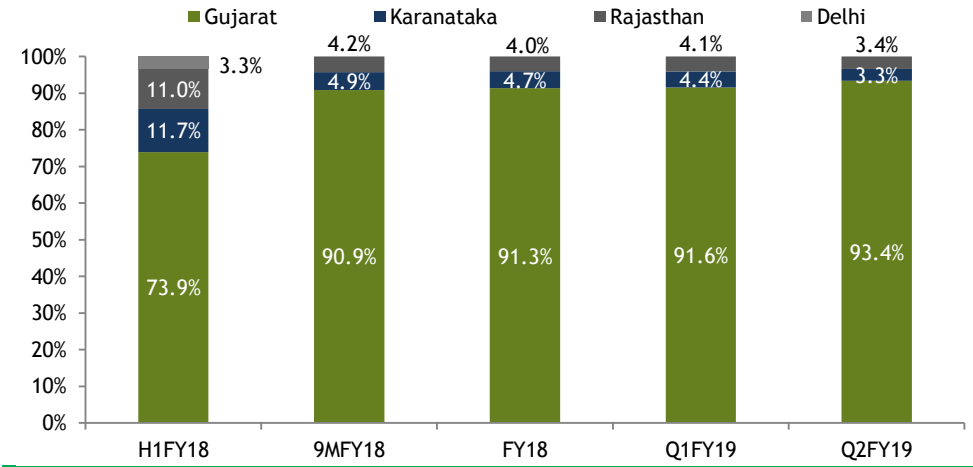
Rs Mn	2QFY19	2QFY19E	1QFY19	2QFY18	% Change			Comments
					2QFY19E	1QFY19	2QFY18	
Net Sales	2,099	1,884	2,347	1,396	11%	-11%	50%	
Raw materials consumed + Change in WIP	722	659	1,163	617	9%	-38%	17%	
Subcontracting Expenses	376	396	245	165	-5%	53%	127%	
Construction Expenses	571	471	482	323	21%	19%	77%	
Employee Cost	108	85	100	67	27%	8%	60%	
Other expenses	29	38	27	36	-24%	7%	-20%	
Total Expenditures	1,806	1,526	2,017	1,209	18%	-10%	49%	
EBITDA	294	235	330	186	25%	-11%	58%	
Depreciation	58	27	48	23	111%	20%	153%	
EBIT	236	208	282	164	13%	-16%	44%	
Interest	23	23	15	20	-2%	56%	13%	
Other Income	54	53	61	52	3%	-11%	5%	
PBT	267	238	328	195	12%	-18%	37%	
Tax	92	86	117	69	7%	-22%	34%	
Recurring PAT	176	152	211	127	15%	-17%	39%	
Extraordinaries	0	0	0	0				
Reported PAT	176	152	211	127	15%	-17%	39%	
EPS (Rs)	4.9	4.2	5.9	3.5	15%	-17%	39%	
Gross Margin	20.5%	19.00%	19.47%	20.79%	151 bps	104 bps	-28 bps	
EBITDA Margin	14.0%	12.5%	14.1%	13.4%	149 bps	-6 bps	64 bps	
EBIT Margin	11.2%	11.0%	12.0%	11.7%	19 bps	-77 bps	-48 bps	
PBT Margin	12.7%	12.6%	14.0%	14.0%	12 bps	-124 bps	-125 bps	
PAT Margin	8.4%	8.1%	9.0%	9.1%	28 bps	-62 bps	-71 bps	
Tax Rate	34.4%	36.0%	35.7%	35.2%	-164 bps	-138 bps	-81 bps	

Exhibit 1: Projects classification (Number of projects executed)



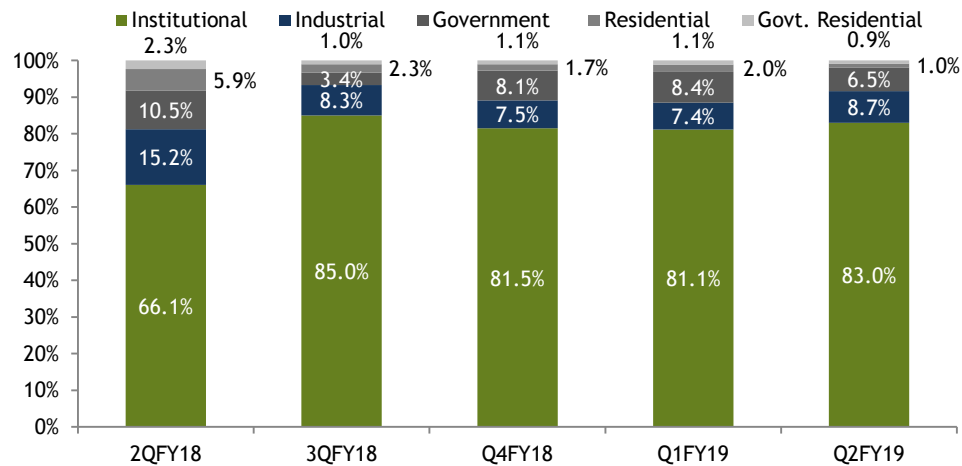
Source: Company, Equirus Securities

Exhibit 3: Geography-wise breakup of work on hand (Standalone)



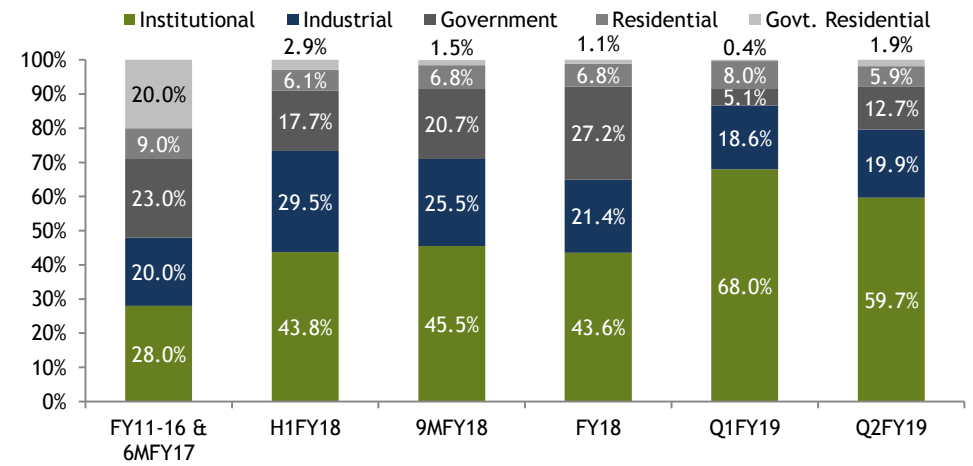
Source: Company, Equirus Securities

Exhibit 2: Breakup of Order-book (Standalone)

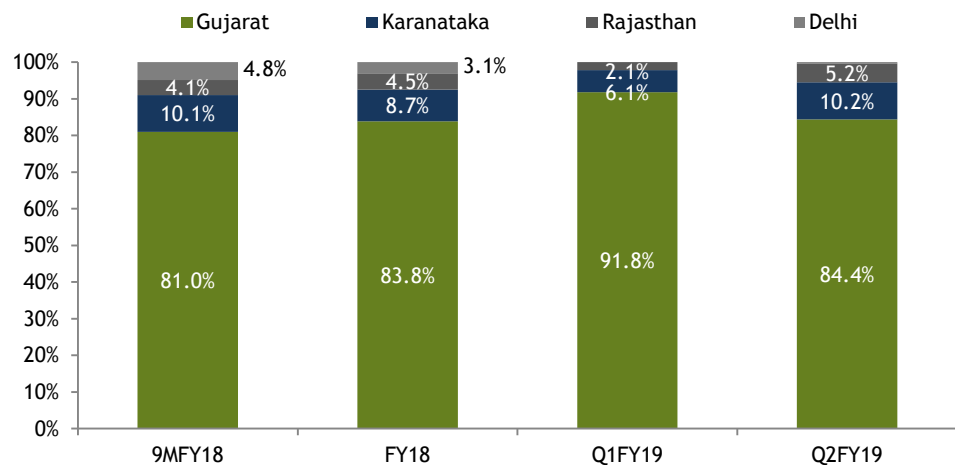


Source: Company, Equirus Securities

Exhibit 4: Revenue Break up



Source: Company, Equirus Securities

Exhibit 5: Geography-wise revenue break-up


Source: Company, Equirus Securities

Earnings call takeaways

Financial update:

- PSP's revenue growth during the quarter was largely attributable to revenue recognition at its Surat Diamond Bourse project, which contributed Rs 560mn during the quarter and thus, translate into a strong ~50% yoy growth. Revenue was down sequentially due to monsoon impact.
- The margin expanded ~64ps yoy to 14%, while remained flat qoq. The margin expansion seems to be a function of the revenue mix as well as the project mix.

Order backlog and bid pipeline:

- For Q2FY19, the company had inflows of Rs 3.8bn.
- The end-Sep'18 order backlog of ~Rs 26bn implies healthy revenue assurance (3x book-to-bill).
- With the order backlog to be executed in the next 24-30 months and PSP's proven execution record, its growth momentum is expected to be robust.

- Excl. the SDB, the order backlog of ~Rs 12bn, across 35 projects, comprises ~63.4% institutional, ~18.6% industrial, ~13.8% government, ~2.1% residential and the rest, government residential projects.
- Company has successfully completed 7 more projects this quarter, total PSP has delivered 110 projects.
- Outside Gujarat, the company is implementing two dairy projects in Karnataka (one on the outskirts of Bengaluru, the other on the road to Mysuru), and two in Rajasthan (a medical college and a hospital). These projects, falling within its area of expertise, led it to consider them.
- The company has submitted bids of ~Rs 30bn and expects ~20% strike rate (out of the total bidding) which includes 7 projects. The bid pipeline includes one large commercial project of ~Rs 4.5bn in the south (total project costs ~Rs 10bn, of which initial bids were invited for ~Rs 4.5bn). The other projects are from 2-3 major developers in Ahmedabad and one Pune and Surat, and some institutional projects.
- Company is going to bid for IIMA in coming ~2-3 weeks while company is not focusing on government projects rather to bid for private projects and also company is not qualified to bid for more than Rs 5bn for government projects as of now.

The Surat Diamond Bourse Project (SDB):

- Revenue of ~Rs 560mn was recognized from the SDB in Q2.
- Current monthly billing from the project is currently ~Rs 250mn-300mn, which would average ~Rs 0.8bn-0.9bn a quarter. The monthly run-rate will pick up in FY20 as project progresses.
- Currently, about 4,000 contract workers and 300 company employees have been deployed at the site.
- Foundation work for all the nine towers is progressing as per schedule. Basement and Ground floor have been constructed for all the towers whereas first & second floor construction is in progress.
- The project has a pass-through structure for all building and finishing materials (cement, steel, marble tiles, granite).
- Management remains confident on achieving Rs 4-4.5bn revenue from the project in FY19 and ~Rs 8bn in FY20 and rest in FY21.

Project Updates:

- **Dahod project:** The Company had previously bagged an order worth ~Rs 2.3bn. Management stated that half the basement work has been done for this project. Timeline for this project is 18 months.
- **BSE-forum project in GIFT city:** The Company had secured orders of ~Rs1.3bn. The design aspect of the project is completed and also got the approval. Management expects this project to begin construction work post Diwali. Timeline for this project is 18 months.
- **South India project.** The company expects its next big project, post- SDB, to come from this 5m sq.ft. Project, valued at ~Rs10bn. It had submitted bids for this private project, and has already had one round of discussions. Phase-1, for which the company bid, is worth ~Rs4.5bn.
- Company bags order worth ~Rs 3.8bn which includes 3 projects (Zydu Group another hospital contract in Baroda and two R&D centres, one each at Baroda and Ahmedabad) amounting to Rs 2.03bn and one more plant of MRF at Dahej worth ~Rs 830mn and additional work from current clientele worth Rs ~500mn.

Guidance

- The company had previously guided to a ~30-35% CAGR in revenue over a 2-3 year period. Given its targeted cash-flows from the SDB project and accelerating pace of execution of the OB, it seems on the path to achieve the targeted growth rate.
- PSP also revised the guidance to range for EBITDA margins from 12-13% to 12-14%.
- Management expects to inflows of ~Rs10bn for FY19 & for FY20 ~Rs12-13bn.

Other commentary

- PSP projects awarded as one of the India's Top Challengers at construction world global awards, 2018 in New Delhi.
- Most of the workers at the site are from UP, Bihar but company has not faced any issue of labor shortage after post the case of backlash against UP/Bihar labors in Gujarat.
- It incurred ~Rs 320m capex in Q2. It laid out FY19 capex guidance of ~Rs 500m. Thus, it has further capex plans of ~Rs 200m. Company stated it incurs ~3-4% of a new project as capex.
- Management says its inventory days have gone up to about ~15 on the SDB project inventory needs. Debtor days are currently at 45-50; Payable days, at ~50-60.

Company Snapshot

How we differ from Consensus

		Equirus	Consensus	% Diff	Comment
EPS	FY19E	24.5	25.3	-3 %	
	FY20E	33.3	36.2	-8 %	
Sales	FY19E	10,833	10,906	-1 %	
	FY20E	15,090	15,065	0 %	
PAT	FY19E	883	913	-3 %	
	FY20E	1,200	1,298	-8 %	

Our Key Investment arguments:

- Large OB with 3.3x book-to-bill ratio gives strong revenue visibility over next 3 years. Expect company to post a 32%/32%/28% Revenue/EBITDA/PAT CAGR over FY18-FY 21E.
- Strong reputation and good hold on the core Gujarat market, where several opportunities are expected, will drive order book growth going forward.
- Clear focus on selective bidding for industrial & institutional projects backed by reputed clients will help generate above-industry return ratios and WC control.

Key Assumptions

Particulars	2017	2018	2019E	2020E	2021E
Revenues	4,008	7,298	10,833	15,090	16,940
EBITDAM %	16.5%	13.9%	13.8%	13.7%	13.9%
PATM %	10.4%	8.8%	8.2%	8.0%	7.9%
Orderbook	7,290	26,440	25,607	21,516	19,576
Orderbook/Billing Ratio	1.8	3.6	2.4	1.4	1.2

Risk to Our View

Main risk is key man exposure and management bandwidth along with lower-than-expected order inflows.

Key Triggers

Comparable valuation		Mkt Cap Rs. Mn.	Price Target	Target Date	EPS			P/E			BPS			P/B			RoE			Div Yield	
Company	Reco.				CMP	FY18A	FY19E	FY20E	FY18A	FY19E	FY20E	FY18A	FY19E	FY20E	FY18A	FY19E	FY20E	FY18A	FY19E	FY20E	FY18A
PSP Projects	LONG	382	13,747	544	31st Dec'19	18.2	24.5	33.3	21.0	15.6	11.5	83.7	3.8	32 %	27 %	30 %	1.3 %	1.9 %			
Ahluwalia Cont.	NR	311	20,833	NR	NR	17.2	22.2	26.9	18.0	14.0	11.5	92.8	4.0	20 %	21 %	21 %	0.0 %	0.1 %			
Capacite Projects	NR	215	14,593	NR	NR	13.7	15.0	19.2	15.7	14.3	11.2	110.4	3.1	15 %	30 %	16 %	0.0 %	0.0 %			

- Inflows of any large orders like SDB will lead to OB stability and revenue visibility post FY20E

Sensitivity to Key Variables	% Change	% Impact on EPS
Sales	-5 %	-5 %
EBITDA Margin	-1 %	-8 %
-	-	-

DCF Valuations & Assumptions

Rf	Beta	Ke	Term. Growth	Debt/IC in Term. Yr
8.1 %	1.0	14.1 %	3.0 %	15.3 %

	FY19E	FY20E	FY21-23E	FY24-28E	FY29-33E
Sales Growth	44 %	39 %	5 %	6 %	6 %
NOPAT Margin	10 %	10 %	8 %	8 %	8 %
IC Turnover	4.50	5.09	5.44	6.37	7.30
RoIC	64.9 %	53.6 %	47.0 %	53.8 %	59.9 %

Years of strong growth	1	2	5	10	15
Valuation as on date (Rs)	248	300	314	339	365
Valuation as of Dec'19	289	349	365	395	425

Based on DCF, assuming 10 years of 6% CAGR growth and 54% average ROIC, we derive our current fair value of Rs 339 and a Dec'19 fair value of Rs 395.

Company Description:

PSP Projects is a Gujarat-based construction company and set up by Prahlad Patel in 2008. Its focus segments are industrial, institutional and selective residential and government projects. The company has developed a reputation for timely and quality execution, and posted strong return ratios in a relatively tough, commoditized and competitive industry. It has secured repeat orders from marquee clients like Nirma, Cadila, Torrent Pharma, Intas, and GIFT City. Having executed 103 projects so far, it is well-placed to execute the outstanding order book of Rs 24bn across 36 sites.



Standalone Quarterly Earnings Forecast and Key Drivers

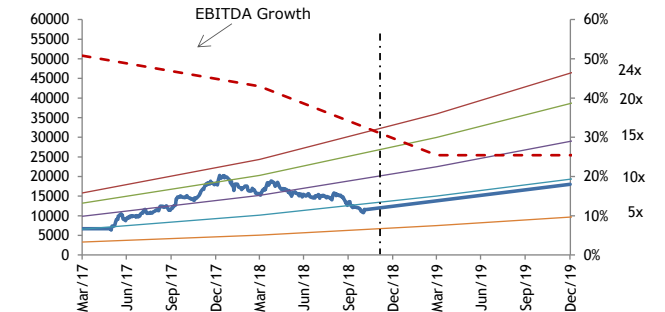
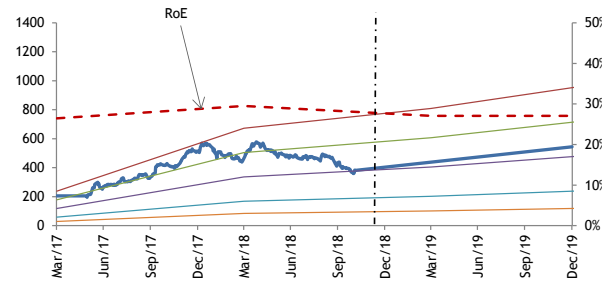
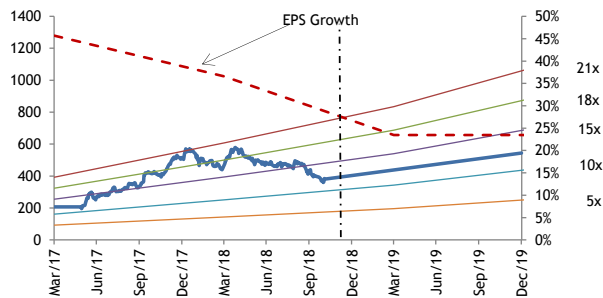
Rs in Mn	1Q18A	2Q18A	3Q18A	4Q18A	1Q19A	2Q19E	3Q19E	4Q19E	1Q20E	2Q20E	3Q20E	4Q20E	FY18A	FY19E	FY20E	FY21E
Revenue	1,558	1,396	1,708	2,637	2,347	2,099	2,511	3,876	3,403	2,939	3,515	5,233	7,298	10,833	15,090	16,940
Subcontracting Expenses	166	165	300	597	245	376	527	814	783	647	808	1,151	1,229	1,962	3,389	3,784
Construction Expenses	411	323	429	671	482	571	653	1,047	817	705	844	1,308	1,979	2,753	3,674	4,162
Employee Cost	60	67	74	85	100	108	113	147	146	147	141	209	286	468	643	684
Other Expenses	50	36	49	29	27	29	33	39	34	38	46	63	86	127	181	194
EBITDA	199	186	266	363	330	294	344	531	466	403	482	722	1,014	1,499	2,073	2,357
Depreciation	18	23	28	43	48	58	64	66	70	69	74	78	112	236	291	328
EBIT	181	164	238	320	282	236	280	465	396	333	407	644	902	1,263	1,781	2,029
Interest	14	20	23	30	15	23	27	34	17	27	31	40	87	99	115	138
Other Income	41	52	32	59	61	54	33	60	61	55	33	60	184	208	210	212
PBT	208	195	247	349	328	267	286	490	441	361	409	664	999	1,372	1,876	2,103
Tax	72	69	95	119	117	92	103	176	159	130	147	239	355	489	675	757
Recurring PAT	136	127	152	230	211	176	183	314	282	231	262	425	644	883	1,200	1,346
Extraordinary	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reported PAT	136	127	152	230	211	176	183	314	282	231	262	425	644	883	1,200	1,346
EPS (Rs)	3.77	3.52	4.22	6.38	5.86	4.88	5.09	8.71	7.84	6.43	7.27	11.81	17.88	24.53	33.35	37.39
Key Drivers																
Closing Order-book													26,440	25,607	21,516	19,576
OB/Revenues													3.6	2.4	1.4	1.2
-													-	-	-	-
-													-	-	-	-
-													-	-	-	-
-													-	-	-	-
Sequential Growth (%)																
Revenue	-4 %	-10 %	22 %	54 %	-11 %	-11 %	20 %	54 %	-12 %	-14 %	20 %	49 %	-	-	-	-
Raw materials consumed + Change in WIP	28 %	-8 %	-4 %	51 %	30 %	-38 %	16 %	54 %	-11 %	-14 %	20 %	49 %	-	-	-	-
EBITDA	-40 %	-6 %	42 %	37 %	-9 %	-11 %	17 %	54 %	-12 %	-14 %	20 %	50 %	-	-	-	-
EBIT	-42 %	-9 %	45 %	35 %	-12 %	-16 %	19 %	66 %	-15 %	-16 %	22 %	58 %	-	-	-	-
Recurring PAT	-32 %	-7 %	20 %	51 %	-8 %	-17 %	4 %	71 %	-10 %	-18 %	13 %	62 %	-	-	-	-
EPS	-32 %	-7 %	20 %	51 %	-8 %	-17 %	4 %	71 %	-10 %	-18 %	13 %	62 %	-	-	-	-
Yearly Growth (%)																
Revenue	81 %	80 %	127 %	63 %	51 %	50 %	47 %	47 %	45 %	40 %	40 %	35 %	82 %	48 %	39 %	12 %
EBITDA	68 %	66 %	181 %	9 %	66 %	58 %	30 %	46 %	41 %	37 %	40 %	36 %	54 %	48 %	38 %	14 %
EBIT	78 %	74 %	217 %	2 %	56 %	44 %	18 %	45 %	41 %	41 %	45 %	39 %	55 %	40 %	41 %	14 %
Recurring PAT	81 %	102 %	107 %	15 %	55 %	39 %	21 %	37 %	34 %	32 %	43 %	36 %	55 %	37 %	36 %	12 %
EPS	81 %	102 %	107 %	15 %	55 %	39 %	21 %	37 %	34 %	32 %	43 %	36 %	55 %	37 %	36 %	12 %
Margin (%)																
EBITDA	13 %	13 %	16 %	14 %	14 %	14 %	14 %	14 %	14 %	14 %	14 %	14 %	14 %	14 %	14 %	14 %
EBIT	12 %	12 %	14 %	12 %	12 %	11 %	11 %	12 %	12 %	11 %	12 %	12 %	12 %	12 %	12 %	12 %
PBT	13 %	14 %	14 %	13 %	14 %	13 %	11 %	13 %	13 %	12 %	12 %	13 %	14 %	13 %	12 %	12 %
PAT	9 %	9 %	9 %	9 %	9 %	8 %	7 %	8 %	8 %	8 %	7 %	8 %	9 %	8 %	8 %	8 %

Consolidated Financials Forecast

P&L (Rs Mn)	FY18A	FY19E	FY20E	FY21E
Revenue	7,516	10,833	15,090	16,940
Op. Expenditure	6,470	9,335	13,018	14,583
EBITDA	1,046	1,499	2,073	2,357
Depreciation	115	236	291	328
EBIT	931	1,263	1,781	2,029
Interest Expense	93	99	115	138
Other Income	186	208	210	212
PBT	1,024	1,372	1,876	2,103
Tax	364	489	675	757
PAT bef. MI & Assoc.	660	883	1,200	1,346
Minority Interest	5	0	0	0
Profit from Assoc.	0	0	0	0
Recurring PAT	655	883	1,200	1,346
Extraordinaires	0	0	0	0
Reported PAT	655	883	1,200	1,346
FDEPS (Rs)	18.2	24.5	33.3	37.4
DPS (Rs)	5.0	6.3	8.2	9.6
CEPS (Rs)	21.4	31.1	41.4	46.5
FCFPS (Rs)	-12.9	-9.8	22.8	30.1
BVPS (Rs)	83.7	100.9	124.6	150.7
EBITDAM (%)	14 %	14 %	14 %	14 %
PATM (%)	9 %	8 %	8 %	8 %
Tax Rate (%)	36 %	36 %	36 %	36 %
Sales Growth (%)	69 %	44 %	39 %	12 %
FDEPS Growth (%)	58 %	35 %	36 %	12 %

Balance Sheet (Rs Mn)	FY18A	FY19E	FY20E	FY21E
Equity Capital	360	360	360	360
Reserve	2,654	3,272	4,125	5,066
Networth	3,014	3,632	4,485	5,426
Long Term Debt	281	335	425	515
Def Tax Liability	0	0	0	0
Minority Interest	11	11	11	11
Account Payables	1,271	1,692	2,439	2,738
Other Curr Liabi	1,436	1,571	2,188	2,372
Total Liabilities & Equity	6,013	7,240	9,548	11,062
Net Fixed Assets	781	1,140	1,298	1,271
Capital WIP	18	0	0	0
Others	947	947	947	947
Inventory	338	653	910	975
Account Receivables	1,235	1,721	2,439	2,692
Other Current Assets	264	975	1,660	2,202
Cash	2,431	1,804	2,294	2,975
Total Assets	6,013	7,240	9,548	11,062
Non-cash Working Capital	-870	87	381	759
Cash Conv Cycle	-42.3	2.9	9.2	16.4
WC Turnover	-8.6	124.8	39.6	22.3
FA Turnover	9.4	9.5	11.6	13.3
Net D/E	-0.7	-0.4	-0.4	-0.5
Revenue/Capital Employed	2.9	3.0	3.4	3.1
Capital Employed/Equity	1.3	1.1	1.1	1.1

Cash Flow (Rs Mn)	FY18A	FY19E	FY20E	FY21E
PBT	1,024	1,372	1,876	2,103
Depreciation	115	236	291	328
Others	-128	0	0	0
Taxes Paid	417	489	675	757
Change in WC	86	-957	-295	-377
Operating C/F	681	162	1,197	1,296
Capex	-475	-577	-450	-300
Change in Invest	-913	0	0	0
Others	182	0	0	0
Investing C/F	-1,207	-577	-450	-300
Change in Debt	-447	54	90	90
Change in Equity	1,421	0	0	0
Others	-161	-266	-347	-405
Financing C/F	813	-212	-257	-315
Net change in cash	287	-627	491	681
RoE (%)	32 %	27 %	30 %	27 %
RoIC (%)	28 %	26 %	29 %	26 %
Core RoIC (%)	71 %	65 %	54 %	51 %
Div Payout (%)	17 %	30 %	29 %	30 %
P/E	21.0	15.6	11.5	10.2
P/B	4.6	3.8	3.1	2.5
P/FCFF	-29.5	-39.1	16.7	12.7
EV/EBITDA	11.1	8.2	5.7	4.8
EV/Sales	1.5	1.1	0.8	0.7
Dividend Yield (%)	1.3 %	1.9 %	2.5 %	2.9 %



Historical Consolidated Financials

P&L (Rs Mn)	FY15A	FY16A	FY17A	FY18A
Revenue	2,805	4,760	4,448	7,516
Op. Expenditure	2,581	4,411	3,777	6,470
EBITDA	224	349	671	1,046
Depreciation	52	71	79	115
EBIT	172	277	592	931
Interest Expense	25	34	79	93
Other Income	65	103	134	186
PBT	213	347	647	1,024
Tax	72	127	231	364
PAT bef. MI & Assoc.	141	220	416	660
Minority Interest	0	-8	1	5
Profit from Assoc.	0	0	0	0
Recurring PAT	141	228	415	655
Extraordinaires	0	0	0	0
Reported PAT	141	228	415	655
EPS (Rs)	3.9	6.3	11.5	18.2
DPS (Rs)	0.0	0.0	2.5	5.0
CEPS (Rs)	5.3	8.3	13.7	21.4
FCFPS (Rs)	1.7	-0.7	-1.6	-12.9
BVPS (Rs)	13.0	17.6	29.1	83.7
EBITDAM (%)	8 %	7 %	15 %	14 %
PATM (%)	5 %	5 %	9 %	9 %
Tax Rate (%)	34 %	37 %	36 %	36 %
Sales growth (%)	0 %	70 %	-7 %	69 %
FDEPS growth (%)	0 %	62 %	82 %	58 %

Balance Sheet (Rs Mn)	FY15A	FY16A	FY17A	FY18A
Equity Capital	8	32	288	360
Reserve	461	601	759	2,654
Networth	469	633	1,047	3,014
Long Term Debt	329	459	731	281
Def Tax Liability	6	6	9	0
Minority Interest	0	5	6	11
Account Payables	631	818	744	1,271
Other Curr Liabi	428	574	745	1,436
Total Liabilities & Equity	1,864	2,495	3,281	6,013
Net Fixed Assets	332	525	521	781
Capital WIP	2	0	0	18
Others	142	354	688	947
Inventory	42	91	36	338
Account Receivables	239	201	583	1,235
Other Current Assets	140	208	246	264
Cash	966	1,115	1,207	2,431
Total Assets	1,864	2,495	3,281	6,013
Non-cash Working Capital	-639	-891	-623	-870
Cash Conv Cycle	-83.2	-68.4	-51.1	-42.3
WC Turnover	-4.4	-5.3	-7.1	-8.6
FA Turnover	8.4	9.1	8.5	9.4
Net D/E	-1.4	-1.0	-0.5	-0.7
Revenue/Capital Employed	3.5	5.0	3.1	2.9
Capital Employed/Equity	1.7	1.7	1.7	1.3

Cash Flow (Rs Mn)	FY15A	FY16A	FY17A	FY18A
PBT	213	347	647	1,024
Depreciation	52	71	79	115
Others	173	289	-71	-128
Taxes Paid	66	133	145	417
Change in WC	-71	-169	-585	86
Operating C/F	300	405	-75	681
Capex	-201	-273	-62	-475
Change in Invest	-113	-273	-104	-913
Others	59	95	131	182
Investing C/F	-256	-450	-35	-1,207
Change in Debt	78	130	282	-447
Change in Equity	0	0	0	1,421
Others	-38	-70	-62	-161
Financing C/F	41	60	220	813
Net change in cash	85	15	110	287
RoE (%)	0 %	41 %	49 %	32 %
RoIC (%)	0 %	26 %	32 %	28 %
Core RoIC (%)	276 %	-3,794 %	101 %	71 %
Div Payout (%)	0 %	0 %	0 %	17 %
P/E	0.0	60.2	33.1	0.0
P/B	0.0	21.7	13.1	0.0
P/FCFF	226.9	-570.8	-232.4	-29.5
EV/EBITDA	0.0	37.6	19.8	0.0
EV/Sales	0.0	2.8	3.0	0.0
Dividend Yield (%)	0.0 %	0.0 %	0.0 %	1.3 %

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