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PSP Projects

4QFY19 Result: Estimate (↓), Target (↑), Rating (↔)

Regular Coverage

Absolute : LONG
Relative : Overweight
14% in 16 Months

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

Construction

PSP's 4Q revenues came in at Rs 3.3bn, up 28% yoy but 14% below EE due to slower execution ramp-up in the SDB project. The company's OB currently stands at ~Rs 29.8bn and the book-to-bill ratio at ~2.9x on TTM revenues. We expect execution momentum to remain strong ahead and the company to maintain steady-state EBITDAM of ~14%. However, we trim our FY20E standalone revenue estimates by 8% to factor in some delay in SDB project execution. We expect the company to post a revenue/ EBITDA CAGR of 24%/23% over FY19-FY22E. Retain LONG with a Sep'20 TP of Rs 593 (Rs 520 earlier) set at a target multiple of 16x (unchanged) Sep'20 TTM EPS.

Strong OB gives visibility for 2-3 years; incremental orders to aid growth ahead:

As on Sep'18, PSP's order book stood at ~Rs 29.8bn, implying a book-to-bill of 2.9x on TTM revenues with an avg. execution period of 18-30 months (EE: 25-30 months). The company has won ~Rs 14bn of additional orders in FY19. Besides, it has participated in another Rs 35bn of projects and has a historical strike ratio of 20%. PSP has also forayed into the Maharashtra market with its maiden order win of ~Rs 1.8bn in the affordable housing segment.

The Surat Diamond Bourse (SDB) project continues to see good revenue traction and generated Rs 3.5bn of revenues in FY19. Management expects this project to generate revenues of Rs 7bn in FY20E and Rs 4-4.5bn in FY21E. 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. We expect the company to bag orders worth Rs 14bn/Rs 16bn in FY20/FY21.

Strong B/S strong + stringent control on WC = confidence on capital allocation:

PSP had a cash position of Rs 2.2bn as on Mar'19, 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 maintain a negative WC over last 6 years. While WC cycle would stretch over the next 3 years with a higher avg. ticket size of projects, strict WC control and positive cash flows would keep net cash balance steady at ~Rs 2.7bn by FY21E.

View: With a strong OB, good execution track record, a cash-rich B/S and upcoming opportunities in key markets, we remain positive on PSP's long-term business prospects. Retain LONG with a Sep'20 TP of Rs 593. **Risks:** Key man dependence, below-expected order inflows required to support growth post FY20, and addition of margin-dilutive orders.

Estimate Revision

(Rs mn)	Forecasts		% Change	
	FY20E	FY21E	FY20E	FY21E
Sales	13,851	17,447	-8%	4%
EBITDA	1,941	2,440	-4%	8%
PAT	1,162	1,441	-1%	9%
EPS	32.3	40.0	-1%	9%

Consolidated Financials

Rs. Mn	YE Mar	FY19A	FY20E	FY21E	FY22E
Sales		10,440	13,851	17,447	19,505
EBITDA		1,489	1,941	2,440	2,711
Depreciation		242	285	321	358
Interest Expense		92	103	113	126
Other Income		230	218	215	217
Reported PAT		902	1,162	1,441	1,565
Recurring PAT		902	1,162	1,441	1,565
Total Equity		3,714	4,610	5,722	6,929
Gross Debt		250	316	342	369
Cash		2,217	2,123	2,715	3,514
Rs Per Share		FY19A	FY20E	FY21E	FY22E
Earnings		25.1	32.3	40.0	43.5
Book Value		103	128	159	192
Dividends		5	7	9	10
FCFF		1.5	4.8	26.9	33.6
P/E (x)		20.1	15.6	12.6	11.6
P/B (x)		4.9	3.9	3.2	2.6
EV/EBITDA (x)		10.9	8.4	6.5	5.5
ROE (%)		27%	28%	28%	25%
Core ROIC (%)		56%	43%	40%	38%
EBITDA Margin (%)		14%	14%	14%	14%
Net Margin (%)		9%	8%	8%	8%

Rating Information				
Price (Rs)	504			
Target Price (Rs)	593			
Target Date	30th Sep'20			
Target Set On	28th May'19			
Implied yrs of growth (DCF)	10			
Fair Value (DCF)	497			
Fair Value (DDM)	264			
Ind Benchmark	SPBSMIP			
Model Portfolio Position	NA			
Stock Information				
Market Cap (Rs Mn)	18,162			
Free Float (%)	26.72 %			
52 Wk H/L (Rs)	539.9/358.3			
Avg Daily Volume (1yr)	34,572			
Avg Daily Value (Rs Mn)	15			
Equity Cap (Rs Mn)	360			
Face Value (Rs)	10			
Bloomberg Code	PSPPL IN			
Ownership	Recent	3M	12M	
Promoters	73.3 %	0.0 %	1.2 %	
DII	6.4 %	0.3 %	-2.2 %	
FII	1.2 %	0.0 %	0.0 %	
Public	19.1 %	-0.3 %	1.1 %	
Price %	1M	3M	12M	
Absolute	7.1 %	25.6 %	-4.0 %	
Vs Industry	6.8 %	19.5 %	1.0 %	
AHLUCONT	12.8 %	27.0 %	-6.0 %	
CAPACITE	21.0 %	36.2 %	0.1 %	
Standalone Quarterly EPS forecast				
Rs/Share	1Q	2Q	3Q	4Q
EPS (19A)	5.9	4.9	6.0	8.4
EPS (20E)	7.2	6.0	8.2	10.9

Quarterly performance, standalone

Particulars (Rs Mn)	4QFY19	4QFY19E	3QFY19	4QFY18	% Change			Comments
					4QFY19E	3QFY19	4QFY18	
Net Sales	3,383	3,955	2,611	2,637	-14%	30%	28%	Below EE due to slower execution ramp-up in SDB project
Raw materials consumed + Change in WIP	1,271	1,543	972	892	-18%	31%	43%	
Construction Expenses	1,463	1,649	1,143	1,268	-11%	28%	15%	
Employee Cost	117	178	107	85	-34%	9%	37%	
Other expenses	34	40	21	29	-15%	57%	16%	
Total Expenditures	2,884	3,409	2,244	2,274	-15%	29%	27%	
EBITDA	499	546	367	363	-9%	36%	37%	Strong growth yoy was led by better EBITDAM
Depreciation	74	69	62	43	8%	20%	73%	
EBIT	425	477	305	320	-11%	39%	33%	
Interest	32	33	23	30	-3%	41%	6%	
Other Income	66	49	48	59	35%	37%	13%	
PBT	459	493	331	349	-7%	39%	32%	
Tax	158	173	116	119	-9%	36%	33%	
Recurring PAT	301	321	215	230	-6%	40%	31%	
Extraordinaries	0	0	0	0				
Reported PAT	301	321	215	230	-6%	40%	31%	
EPS (Rs)	8.4	8.9	6.0	6.4	-6%	40%	31%	
Gross Margin	19.2%	19.30%	18.99%	18.09%	-11 bps	21 bps	110 bps	
EBITDA Margin	14.7%	13.8%	14.1%	13.8%	95 bps	69 bps	98 bps	
EBIT Margin	12.6%	12.1%	11.7%	12.1%	49 bps	87 bps	41 bps	
PBT Margin	13.6%	12.5%	12.7%	13.2%	110 bps	91 bps	35 bps	
PAT Margin	8.9%	8.1%	8.2%	8.7%	79 bps	68 bps	19 bps	
Tax Rate	34.4%	35.0%	35.1%	34.1%	-59 bps	-68 bps	28 bps	

Earnings call takeaways

Financial update

- PSP's revenue growth during the year was largely attributable to revenue recognition at its Surat Diamond Bourse project, which contributed Rs 3.5bn during the year and thus, translate into a strong ~43% yoy growth.
- The margin expanded ~100bps yoy to 14.7% in 4QFY19 and 69bps qoq. Margin stood at ~14.3% for FY19 vs ~13.9% in FY18.
- Increase in depreciation due to additions of fixed assets during Jan'18 to Mar'19 and reduction in useful life of certain assets. Invested ~Rs 1.4bn in assets for timely project delivery.

Order backlog and bid pipeline

- During FY19, the company received order inflows of Rs 14bn, including repeat orders and increased the average ticket size of projects.
- The end-Mar'19 order backlog of ~Rs 29.8bn which comprises Rs 11.6bn from SDB and rest from other projects 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 18.2bn, across 46 projects, comprises ~63% institutional, ~14% industrial, ~9% government, ~9% govt. residential and the rest, residential projects.
- **Potential pipeline:** Company sees a pipeline of ~Rs 35bn, largely between two projects including one project of Rs 17bn from Vedanta Steel (in Barmer, Rajasthan), the other by Nayara Energy in Jamnagar (formerly Essar Oil; negotiations already held, currently in-process approval of Russian partner).
- 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.
- Company is L-1 in one of the project worth ~Rs 2.5bn.
- Management seeks to increase the average ticket size and only participates in bids of over ~Rs 200m-250m in Ahmedabad, over ~Rs 500m in Gujarat (excl. Ahmedabad) and ~Rs 1.5bn-2bn outside Gujarat.

- Management is open to diversifying into southern regions, Maharashtra and, to some extent, Rajasthan. However, the diversification would be very measured, as its home market still offers sufficient prospects.

The Surat Diamond Bourse Project (SDB)

- Revenue of ~Rs 1230mn was recognized from the SDB in Q4 and ~Rs 3.5bn in FY19.
- 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 have been deployed at the site vs 6,000 earlier.
- Foundation work for all the nine towers is progressing as per schedule. Basement, Ground and fifth floor have been constructed for all the towers whereas eight & ninth floor have been constructed for first five towers. Work is in progress as guided by the company.
- Management hopes to start facade works (glass already ordered). All the requisite MEP (mechanical, electrical, plumbing) materials, too, have been ordered.
- The project has a pass-through structure for all building and finishing materials (cement, steel, marble tiles, granite).
- Management remains confident on achieving ~Rs 7-7.5bn revenue from the project in FY20 and rest in FY21.

Guidance

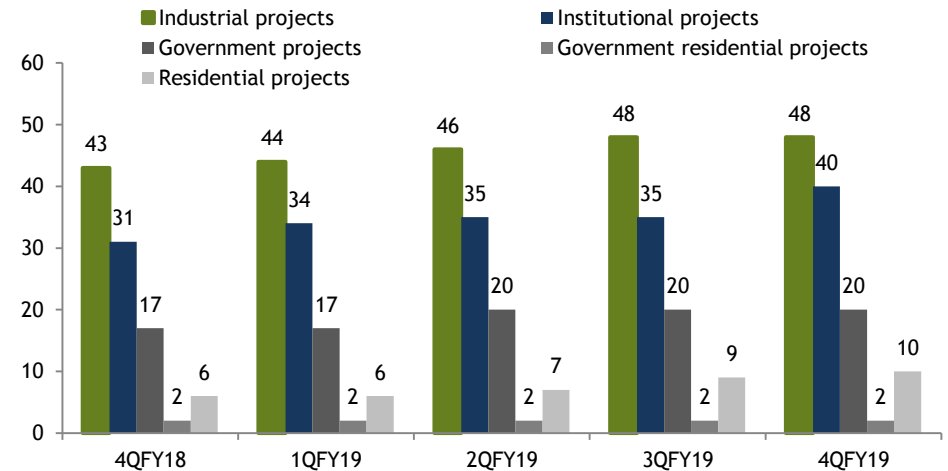
- The company had previously guided to a ~30-35% CAGR in revenue over a 2-3 year period. Given its targeted cash-flows from the SDB project and accelerating pace of execution of the OB, it seems on the path to achieve the targeted growth rate.
- For FY20, it sees potential to deliver ~Rs 13.5bn-14bn (largely driven by peak-execution cycle at the SDB).
- EBITDAM guidance too has been reaffirmed at ~13-14%.
- Management expects to cross the inflows of ~Rs13-15bn for FY20E.

- Regarding inflow guidance, management simply stated it plans to acquire orders of a value amounting to that year’s execution, ie, replenishing the OB for orders executed.

Other commentary

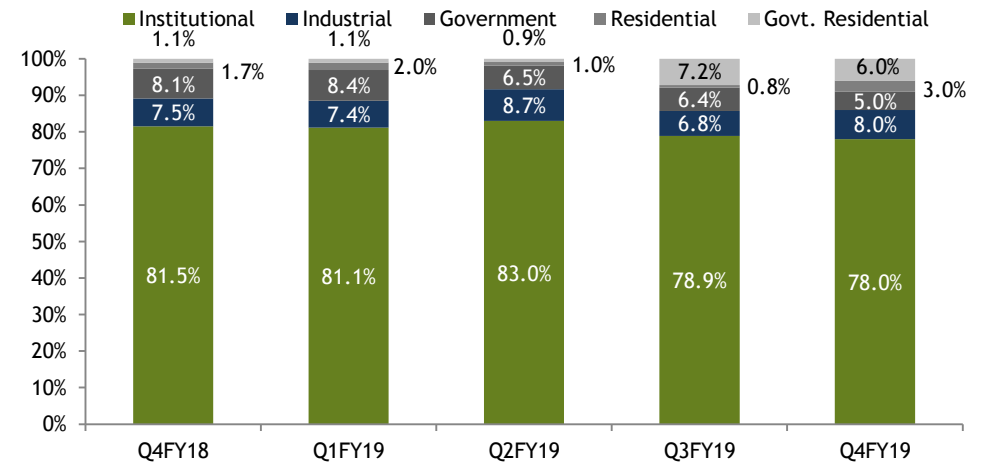
- Company has terminated the recent work order of -Rs 5.4bn from Sumer Corporation for construction of SRA Rehab building, Mumbai due to dissension with the client regarding certain financial terms and conditions during finalization of contract agreement.
- PSP Projects Inc (US Subsidiary), PSP Projects Limited has invested \$3.45 million till now. The Livermore projects (Includes two houses) are on completion and expecting those ready for sale by this month other in San Francisco is in the initial stages, which is expected to receive approvals by Nov’19. Company expecting \$2.5mn from revenue from sale. The subsidiary has been given total loans of Rs 234mn and investment of Rs 38mn by standalone entity. Management continues to highlight that these projects were identified as an opportunity before IPO and currently there are no plans to expand it.
- Company stated it incurs 3-4% of a new project as capex.

Exhibit 1: Projects classification (number of projects executed)



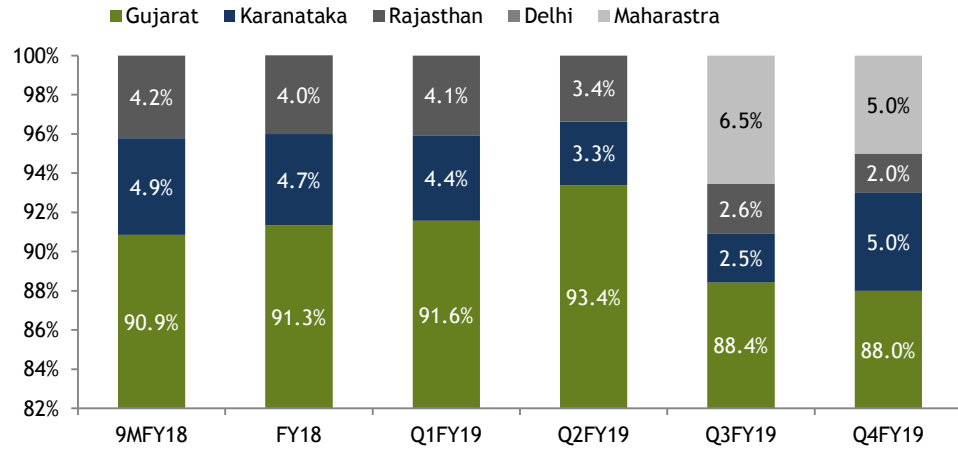
Source: Company, Equirus Securities

Exhibit 2: Order book breakup (standalone)



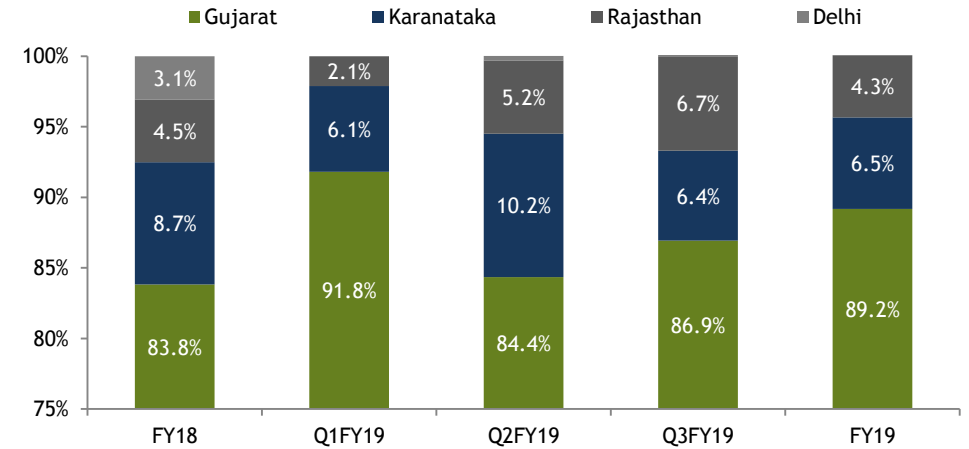
Source: Company, Equirus Securities

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



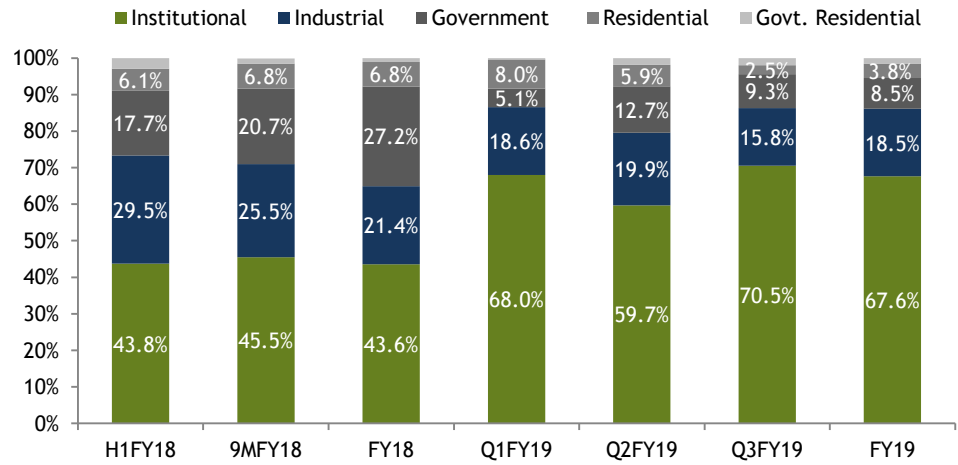
Source: Company, Equirus Securities

Exhibit 5: Geography-wise revenue break-up



Source: Company, Equirus Securities

Exhibit 4: Revenue break-up



Source: Company, Equirus Securities

Exhibit 6: Work on hand (major projects)

Projects	Client	Project value (Rs mn)	O/S order book (Rs mn)
Surat Diamond Bourse Main Contract Works	SDB	15750	11608
IIM AHMEDABAD	IIM	3280	3280
Construction of Medical College and Hospital at Dahod , Gujarat	Zydus Foundation	2250	1891
Affordable Housing Project at Pandharpur, Maharashtra	Pandharpur Municipal Corporation	1576	1576
Multi-tenanted office for DSCCSL at GIFT City, Gujarat	DalalStreet Commercial Cooperative Society Ltd.	1305	1221
Zydus Hospital at Baroda, Gujarat	Zydus Hospitals & Healthcare Research Pvt Ltd.	1016	963
Construction of residential compex at Atali housing, Dahej	Torrent Pharmaceuticals Limited	827	827
Super speciality Block of Government Medical College at Bhavnagar Gujarat	Bridge & Roof Co. (India) Ltd	786	655
Hospital Building near Sugen Mega Power Project, Tal -Kamrej -Surat	Tornascent Care Institute	679	537
Factory Building for the proposed LMC Plant at Dahej, Gujarat	MRF LIMITED	839	535
Site Infra Works for LMC and BIAS Plant at Dahej	MRF LIMITED	534	525
Design Build Contract for Construction of Corporate House at Ahmedabad	Punishka Enterprises	500	471
Construction of Student Activity Center Project at Navrangpura, Ahmedabad for Ahmedabad University Central Campus (FP-4, TPS-31)	Ahmedabad University	515	470

Source: Company, Equirus Securities

Company Snapshot

How we differ from Consensus

		Equirus	Consensus	% Diff	Comment
EPS	FY20E	32.3	34.9	-7 %	
	FY21E	40.0	39.8	1 %	
Sales	FY20E	13,851	14,965	-7 %	
	FY21E	17,447	17,086	2 %	
PAT	FY20E	1,162	1,255	-7 %	
	FY21E	1,441	1,433	1 %	

Our Key Investment arguments:

- Large OB with 2.8x book-to-bill ratio gives strong revenue visibility over next 3 years. Expect company to post a 23%/22%/20% revenue/EBITDA/PAT CAGR over FY19-FY 22E.
- 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	2018	2019A	2020E	2021E	2022E
Revenues	7,298	10,440	13,851	17,447	19,505
EBITDAM %	13.9%	14.3%	14.0%	14.0%	13.9%
PATM %	8.8%	8.6%	8.4%	8.3%	8.0%
Orderbook	26,440	29,780	29,929	28,483	24,977
Orderbook/Billing Ratio	3.6	2.9	2.2	1.6	1.3

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	FY19A	FY20E	FY21E	FY19A	FY20E	FY21E	FY19A	FY20E	FY19A	FY20E	FY21E	FY19A	FY20E
PSP Projects	LONG	504	18,162	593	30th Sep'20	24.8	32.3	40.0	20.3	15.6	12.6	102.6	4.0	27 %	28 %	28 %	1.0 %	1.5 %
Ahluwalia Cont.	LONG	366	24,517	375	31st Mar'20	17.2	18.3	24.1	16.6	15.6	11.9	92.8	2.6	20 %	18 %	20 %	0.1 %	0.3 %
Capacite Projects	LONG	274	18,612	284	30th Sep'20	14.3	17.8	23.6	15.8	12.7	9.6	124.2	1.6	12 %	13 %	16 %	0.4 %	0.6 %

- 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
7.5 %	1.0	13.5 %	3.0 %	8.7 %

	FY20E	FY21E	FY22-24E	FY25-29E	FY30-34E
Sales Growth	32 %	26 %	5 %	6 %	5 %
NOPAT Margin	10 %	10 %	8 %	8 %	8 %
IC Turnover	4.45	4.65	4.92	5.71	6.30
RoIC	53.8 %	48.8 %	42.3 %	46.8 %	51.6 %

	1	2	5	10	15
Years of strong growth					
Valuation as on date (Rs)	335	377	384	419	449
Valuation as of Sep'20	397	447	455	497	533

Based on DCF, assuming 10 years of 6% CAGR growth and 47% average ROIC, we derive our current fair value of Rs 419 and a Sep'20 fair value of Rs 497.

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.

Standalone Quarterly Earnings Forecast and Key Drivers

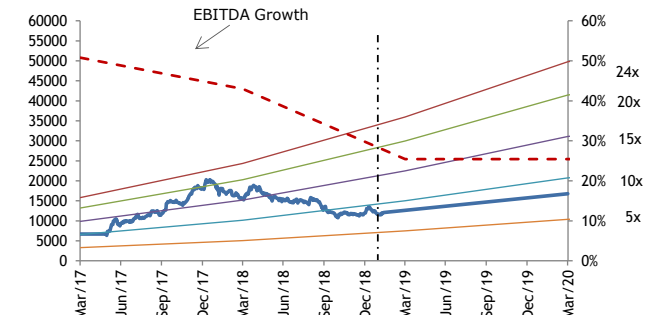
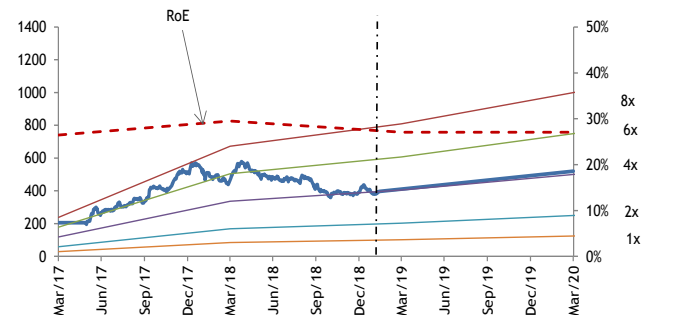
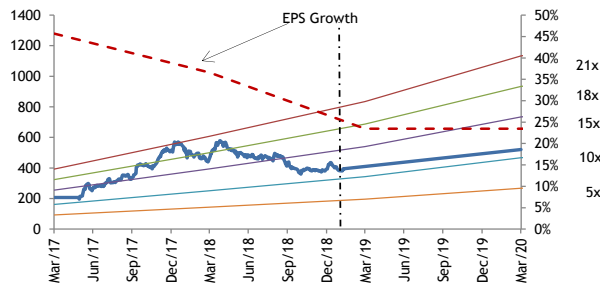
Rs in Mn	1Q19A	2Q19A	3Q19A	4Q19A	1Q20E	2Q19A	3Q19A	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E	FY19A	FY20E	FY21E	FY22E
Revenue	2,347	2,099	2,611	3,383	3,051	2,708	3,525	4,566	4,028	3,467	4,335	5,617	10,440	13,851	17,447	19,505
Subcontracting Expenses	245	376	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Expenses	482	571	1,143	1,463	1,312	1,165	1,516	1,964	1,732	1,491	1,864	2,415	4,292	5,956	7,502	8,387
Employee Cost	100	108	107	117	125	119	137	178	157	135	178	230	432	560	700	800
Other Expenses	27	29	21	34	31	19	35	46	40	35	43	56	99	130	174	195
EBITDA	330	294	367	499	424	376	497	644	568	489	603	781	1,489	1,941	2,440	2,711
Depreciation	48	58	62	74	68	69	70	78	75	76	80	90	242	285	321	358
EBIT	282	236	305	425	356	307	427	566	493	413	523	690	1,247	1,656	2,120	2,354
Interest	15	23	23	32	16	25	25	36	17	26	29	41	92	103	113	126
Other Income	61	54	48	66	57	51	47	64	59	53	44	58	230	218	215	217
PBT	328	267	331	459	396	332	449	595	536	440	538	707	1,385	1,772	2,221	2,445
Tax	117	92	116	158	139	116	153	202	182	150	194	254	483	610	780	880
Recurring PAT	211	176	215	301	257	216	296	392	354	291	344	452	902	1,162	1,441	1,565
Extraordinary	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reported PAT	211	176	215	301	257	216	296	392	354	291	344	452	902	1,162	1,441	1,565
EPS (Rs)	5.86	4.88	5.96	8.36	7.15	6.00	8.23	10.90	9.83	8.07	9.56	12.57	25.07	32.28	40.03	43.47
Key Drivers																
Closing Order-book													29,780	29,929	28,483	24,977
OB/Revenues													2.9	2.2	1.6	1.3
-													-	-	-	-
-													-	-	-	-
-													-	-	-	-
-													-	-	-	-
Sequential Growth (%)																
Revenue	-11 %	-11 %	24 %	30 %	-10 %	-11 %	30 %	30 %	-12 %	-14 %	25 %	30 %	-	-	-	-
Raw materials consumed + Change in WIP	30 %	-38 %	35 %	31 %	-9 %	-11 %	30 %	30 %	-12 %	-14 %	25 %	30 %	-	-	-	-
EBITDA	-9 %	-11 %	25 %	36 %	-15 %	-11 %	32 %	30 %	-12 %	-14 %	23 %	30 %	-	-	-	-
EBIT	-12 %	-16 %	29 %	39 %	-16 %	-14 %	39 %	32 %	-13 %	-16 %	27 %	32 %	-	-	-	-
Recurring PAT	-8 %	-17 %	22 %	40 %	-14 %	-16 %	37 %	32 %	-10 %	-18 %	19 %	31 %	-	-	-	-
EPS	-8 %	-17 %	22 %	40 %	-14 %	-16 %	37 %	32 %	-10 %	-18 %	19 %	31 %	-	-	-	-
Yearly Growth (%)																
Revenue	51 %	50 %	53 %	28 %	30 %	29 %	35 %	35 %	32 %	28 %	23 %	23 %	43 %	33 %	26 %	12 %
EBITDA	66 %	58 %	38 %	37 %	29 %	28 %	35 %	29 %	34 %	30 %	21 %	21 %	47 %	30 %	26 %	11 %
EBIT	56 %	44 %	28 %	33 %	26 %	30 %	40 %	33 %	39 %	35 %	22 %	22 %	38 %	33 %	28 %	11 %
Recurring PAT	55 %	39 %	41 %	31 %	22 %	23 %	38 %	30 %	37 %	35 %	16 %	15 %	40 %	29 %	24 %	9 %
EPS	55 %	39 %	41 %	31 %	22 %	23 %	38 %	30 %	37 %	35 %	16 %	15 %	40 %	29 %	24 %	9 %
Margin (%)																
EBITDA	14 %	14 %	14 %	15 %	14 %	14 %	14 %	14 %	14 %	14 %	14 %	14 %	14 %	14 %	14 %	14 %
EBIT	12 %	11 %	12 %	13 %	12 %	11 %	12 %	12 %	12 %	12 %	12 %	12 %	12 %	12 %	12 %	12 %
PBT	14 %	13 %	13 %	14 %	13 %	12 %	13 %	13 %	13 %	13 %	12 %	13 %	13 %	13 %	13 %	13 %
PAT	9 %	8 %	8 %	9 %	8 %	8 %	8 %	9 %	9 %	8 %	8 %	8 %	9 %	8 %	8 %	8 %

Standalone Financials Forecast

P&L (Rs Mn)	FY19A	FY20E	FY21E	FY22E
Revenue	10,440	13,851	17,447	19,505
Op. Expenditure	8,951	11,909	15,007	16,794
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EBIT	1,247	1,656	2,120	2,354
Interest Expense	92	103	113	126
Other Income	230	218	215	217
PBT	1,385	1,772	2,221	2,445
Tax	483	610	780	880
Recurring PAT	902	1,162	1,441	1,565
Extraordinaires	0	0	0	0
Reported PAT	902	1,162	1,441	1,565
EPS (Rs)	25.1	32.3	40.0	43.5
DPS (Rs)	5.0	7.4	9.2	9.9
CEPS (Rs)	31.8	40.2	48.9	53.4
FCFF (Rs)	1.5	4.8	26.9	33.6
BVPS (Rs)	103.2	128.1	158.9	192.5
Sales Growth (%)	43%	33%	26%	12%
PAT Growth (%)	40%	29%	24%	9%
EPS Growth (%)	40%	29%	24%	9%
EBITDAM (%)	14%	14%	14%	14%
PATM (%)	9%	8%	8%	8%
Tax Rate (%)	35%	34%	35%	36%

Balance Sheet (Rs Mn)	FY19A	FY20E	FY21E	FY22E
Equity Capital	360	360	360	360
Reserve	3,354	4,250	5,362	6,569
Networth	3,714	4,610	5,722	6,929
Long Term Debt	250	316	342	369
Def Tax Liability	0	0	0	0
Account Payables	1,584	2,087	2,820	3,153
Other Curr Liabilities	1,758	2,008	2,443	2,731
Total Liabilities & Equity	7305	9022	11327	13181
Net Fixed Assets	1,032	1,246	1,626	1,968
Capital WIP	0	0	0	0
Investment	942	942	942	942
Inventory	750	987	1,004	1,122
Account Receivables	1,426	2,201	2,772	3,100
Other Current Assets	939	1524	2268	2536
Cash	2,217	2,123	2,715	3,514
Total Assets	7305	9022	11327	13181
Non-cash Working Capital	-227	616	782	874
Cash Conv Cycle	-7.9	16.2	16.4	16.4
WC Turnover	-46.1	22.5	22.3	22.3
FA Turnover	10.1	11.1	10.7	9.9
D/E	0.1	0.1	0.1	0.1
Net D/E	-0.5	-0.4	-0.4	-0.5
Interest Coverage	13.6	16.1	18.7	18.7

Cash Flow (Rs Mn)	FY19A	FY20E	FY21E	FY22E
PBT	1,385	1,772	2,221	2,445
Depreciation	242	285	321	358
Others	0	0	0	0
Taxes Paid	483	610	780	880
Change in WC	-655	-842	-166	-92
Operating C/F	489	605	1,596	1,830
Capex	-528	-500	-700	-700
Change in Invest	33	0	0	0
Others	0	0	0	0
Investing C/F	-496	-500	-700	-700
Change in Debt	55	66	26	26
Change in Equity	-107	0	0	0
Others	-108	-266	-330	-358
Financing C/F	-160	-199	-303	-332
Net change in cash	-167	-94	593	799
RoE (%)	27%	28%	28%	25%
RoC (%)	27%	28%	28%	25%
Core RoC (%)	56%	43%	40%	38%
P/E	20.1	15.6	12.6	11.6
P/BV	4.9	3.9	3.2	2.6
EV/EBITDA	10.9	8.4	6.5	5.5
EV/Sales	1.6	1.2	0.9	0.8
Div Yield(%)	1%	1%	2%	2%



Historical Standalone Financials

P&L (Rs Mn)	FY16A	FY17A	FY18A	FY19A
Revenue	4,580	4,008	7,298	10,440
Op. Expenditure	4,187	3,348	6,284	8,951
EBITDA	393	659	1,014	1,489
Depreciation	71	76	112	242
EBIT	322	584	902	1,247
Interest Expense	31	75	87	92
Other Income	103	134	184	230
PBT	394	642	999	1,385
Tax	143	226	355	483
Recurring PAT	251	416	644	902
Extraordinaires	0	0	0	0
Reported PAT	251	416	644	902
EPS (Rs)	7.0	11.6	17.9	25.1
DPS (Rs)	0.0	0.0	5.0	5.0
CEPS (Rs)	8.9	13.7	21.0	31.8
FCFF (Rs)	-0.1	-0.3	-12.8	1.5
BVPS (Rs)	18.2	29.7	84.1	103.2
Sales Growth (%)	63%	-12%	82%	43%
PAT Growth (%)	79%	66%	55%	40%
EPS Growth (%)	79%	66%	55%	40%
EBITDAM (%)	9%	16%	14%	14%
PATM (%)	5%	10%	9%	9%
Tax Rate (%)	36%	35%	36%	35%

Balance Sheet (Rs Mn)	FY16A	FY17A	FY18A	FY19A
Equity Capital	32	288	360	360
Reserve	624	783	2,667	3,354
Networth	656	1,071	3,027	3,714
Long Term Debt	444	658	195	250
Def Tax Liability	6	9	0	0
Account Payables	694	693	1,213	1,584
Other Curr Liabilities	481	715	1,420	1,758
Total Liabilities & Equity	2,281	3,147	5,854	7,305
Net Fixed Assets	512	508	770	1,032
Capital WIP	0	0	18	0
Investment	362	679	932	942
Inventory	40	30	335	750
Account Receivables	103	533	1,162	1,426
Other Current Assets	195	238	253	939
Cash	1,068	1,159	2,384	2,217
Total Assets	2,281	3,147	5,854	7,305
Non-cash Working Capital	-836	-607	-882	-227
Cash Conv Cycle	-66.7	-55.3	-44.1	-7.9
WC Turnover	-5.5	-6.6	-8.3	-46.1
FA Turnover	8.9	7.9	9.3	10.1
D/E	0.7	0.6	0.1	0.1
Net D/E	-1.0	-0.5	-0.7	-0.5
Interest Cov	10.5	7.8	10.4	13.6

Cash Flow (Rs Mn)	FY16A	FY17A	FY18A	FY19A
PBT	394	642	999	1,385
Depreciation	71	76	112	242
Others	322	-74	-131	0
Taxes Paid	118	145	409	483
Change in WC	-258	-367	145	-655
Operating C/F	411	132	716	489
Capex	-258	-57	-475	-528
Change in Invest	-269	-263	-937	33
Others	95	131	179	0
Investing C/F	-433	-190	-1,232	-496
Change in Debt	114	225	-461	55
Change in Equity	0	0	1,421	-107
Others	-89	-58	-155	-108
Financing C/F	25	167	805	-160
Net change in cash	3	108	289	-167
RoE (%)	45%	48%	31%	27%
RoIC (%)	28%	33%	28%	27%
Core RoIC (%)	25148%	107%	75%	56%
P/E	72.2	43.6	28.2	20.1
P/BV	27.6	16.9	6.0	4.9
EV/EBITDA	44.7	26.8	15.8	10.9
EV/Sales	3.8	4.4	2.2	1.6
Div Yield(%)	0%	0%	1%	1%

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