

# PSP Projects

**BUY**

## Robust performance

PSP delivered Rev/EBIDTA/APAT beat of 43/32/25% on back of robust execution in SDB project. We maintain BUY with an increased TP Rs 607/sh TP vs Rs 590/sh earlier (we value EPC business at 15x FY21E EPS vs 16x earlier). We have increased our FY20E/FY21E EPS estimates by 7/3%.

### HIGHLIGHTS OF THE QUARTER

- SDB project drives outperformance:** Revenue: Rs 4.2bn (+62/+35% YoY/QoQ, 43% beat) was largely contributed by SDB project (45% share, Rs 1.9bn). This implies base business recurring execution of Rs2.3bn. EBITDA: Rs 541mn (+47/+25% YoY/QoQ, 32% beat). Margins: 12.8% (-130bps/-105bps YoY/QoQ, 111bps miss). There was Rs 500mn bought out items like elevators in SDB project rev contribution which could have resulted in margin miss. PAT: Rs 367mn (+71/12% YoY/QoQ, 31% beat).
- Order inflow guidance met, beat likely:** PSP has secured orders worth ~Rs 15.5bn during 9MFY20 ex L1 of Rs 3bn and is well place to surpass Rs 15bn guidance. Outstanding order book is Rs 30.8bn (at 2.2x FY20E book to bill). The company current has an order book pipeline of Rs 10bn for 4QFY20. Excluding SDB residual backlog of Rs 7.9bn, base business order book is Rs 22.9bn ex Rs 3bn L1.

- SDB progress update:** SDB contributed ~Rs 1.8/1.9bn to 1HFY20/3QFY20 revenue. PSP is targeting to complete the project 4months ahead of Apr-21E revised deadline in Dec-20E. With current run-rate of Rs 1.9bn/qtr execution the timeline looks achievable. Civil works are nearing completion, items procured, MEP and other ancillary works are going on. Despite weakness in Diamond industry execution remains on track, with PSP pushing to complete well ahead of revised timelines.

### STANCE

**PSP delivered robust 3QFY20 performance led by SDB project execution. Base business run-rate ex-SDB of Rs 2.3bn/qtr needs to ramp up to provide growth visibility beyond FY21E as SDB will get completed by Dec-20E. New order wins augur well for growth. Recent award outside Gujarat of Rs 3.4bn in Varanasi is directionally well placed for de-risking Gujarat exposure. We remain cautious on rising share of Govt order in mix. These projects come with interest bearing advances and large BG requirement. Besides PSP needs to arrange 25% cash margin for availing BG's. We maintain BUY. Key risks (1) Delay in diversification outside Gujarat; (2) Delays in new order conversion & (3) Further delay in SDB Project execution.**

### Financial Summary (Standalone)

Y/E March (Rs mn)	3QFY20	3QFY19	YoY (%)	2QFY20	QoQ (%)	FY18	FY19	FY20E	FY21E
Net Sales	4,231	2,611	62.0	3,125	35.4	7,298	10,441	14,149	16,782
EBITDA	541	368	47.0	432	25.1	1,014	1,490	1,880	2,261
APAT	367	215	71.0	327	12.4	649	902	1,275	1,458
Diluted EPS (Rs)	10.2	6.0	71.0	9.1	12.4	18	25	35	40
P/E (x)						28.3	20.4	14.4	12.6
EV / EBITDA (x)						17.7	12.4	10.2	8.8
RoE (%)						31.7	26.8	30.1	27.2

Source: Company, HDFC sec Inst Research

INDUSTRY	INFRASTRUCTURE
<b>CMP (as on 7 Feb 2020)</b>	<b>Rs 511</b>
<b>Target Price</b>	<b>Rs 607</b>
Nifty	12,098
Sensex	41,142
KEY STOCK DATA	
Bloomberg	PSPPL IN
No. of Shares (mn)	36
MCap (Rs bn) / (\$ mn)	18/257
6m avg traded value (Rs mn)	12
STOCK PERFORMANCE (%)	
<b>52 Week high / low</b>	<b>Rs 617/377</b>
	3M 6M 12M
Absolute (%)	(5.4) 5.3 29.8
Relative (%)	(6.6) (6.8) 18.5
SHAREHOLDING PATTERN (%)	
	Sep-19 Dec-19
Promoters	73.68 73.68
FIs & Local MFs	6.72 6.72
FPIs	1.20 1.20
Public & Others	18.40 18.40
Pledged Shares	- -

Source : BSE

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**Revenue: Rs 4.2bn**  
 (+62/+35% YoY/QoQ, 43% beat)

**SDB project contributed about Rs 1.9bn to the revenue. This implies base business recurring execution of Rs2.3bn**

**EBITDA: Rs 541mn**  
 (+47/+25% YoY/QoQ, 32% beat)

**Margins: 12.8% (-130bps/-105bps YoY/QoQ, 111bps miss). There were Rs 500mn bought out items like elevators in SDB project revenue contribution which could have resulted in margin miss**

**Interest costs came in at Rs 40mn (+76/+10% YoY/QoQ)**

**PAT: Rs 367mn (+71/12% YoY/QoQ, 31% beat) with the tax rate for 3QFY20 at 24.7%.**

### Standalone Quarterly Financials

Particulars (Rs mn)	3QFY20	3QFY19	YoY (%)	2QFY20	QoQ (%)	9MFY20	9MFY19	YoY
<b>Net Revenues</b>	<b>4,231</b>	<b>2,611</b>	<b>62.0</b>	<b>3,125</b>	<b>35.4</b>	<b>10,428</b>	<b>7,058</b>	<b>47.8</b>
Material Expenses	(3,506)	(2,113)	65.9	(2,515)	39.4	(8,495)	(5,673)	49.7
Employee/ Subcontracting Expenses	(152)	(107)	42.3	(146)	4.2	(436)	(315)	38.6
Other Expenses	(31)	(23)	36.3	(32)	(1.5)	(97)	(79)	22.7
<b>EBITDA</b>	<b>541</b>	<b>368</b>	<b>47.0</b>	<b>432</b>	<b>25.1</b>	<b>1,400</b>	<b>991</b>	<b>41.3</b>
Depreciation	(70)	(62)	12.6	(62)	12.5	(191)	(168)	13.5
<b>EBIT</b>	<b>471</b>	<b>306</b>	<b>53.9</b>	<b>370</b>	<b>27.2</b>	<b>1,209</b>	<b>823</b>	<b>47.0</b>
Interest Cost	(40)	(23)	75.9	(37)	10.3	(105)	(60)	73.6
Other Income	58	48	20.2	69	(15.8)	178	163	9.2
<b>PBT</b>	<b>488</b>	<b>331</b>	<b>47.5</b>	<b>402</b>	<b>21.4</b>	<b>1,283</b>	<b>926</b>	<b>38.6</b>
Tax	(121)	(116)	4.0	(75)	60.6	(333)	(325)	2.4
<b>RPAT</b>	<b>367</b>	<b>215</b>	<b>71.0</b>	<b>327</b>	<b>12.4</b>	<b>950</b>	<b>601</b>	<b>58.1</b>

Source: Company, HDFC sec Inst Research

### Margin Analysis

MARGIN ANALYSIS	3QFY20	3QFY19	YoY (bps)	2QFY20	QoQ (bps)	9MFY20	9MFY19	YoY
Material Expenses % Net Sales	82.9	80.9	194.7	80.5	240.8	81.5	80.4	108.0
Employee Expenses % Net Sales	3.6	4.1	(49.9)	4.7	(107.5)	4.2	4.5	(27.6)
Other Operating Expenses % Net Sales	0.7	0.9	(14.0)	1.0	(27.7)	0.9	1.1	(19.0)
<b>EBITDA Margin (%)</b>	<b>12.8</b>	<b>14.1</b>	<b>(130.9)</b>	<b>13.8</b>	<b>(105.6)</b>	<b>13.4</b>	<b>14.0</b>	<b>(61.4)</b>
Tax Rate (%)	24.7	35.1	(1,034.0)	18.7	603.7	25.9	35.1	(915.0)
<b>APAT Margin (%)</b>	<b>8.7</b>	<b>8.2</b>	<b>45.6</b>	<b>10.5</b>	<b>(178.0)</b>	<b>9.1</b>	<b>8.5</b>	<b>59.6</b>

Source: Company, HDFC sec Inst Research

**Total PSP order backlog is Rs 30.8bn**

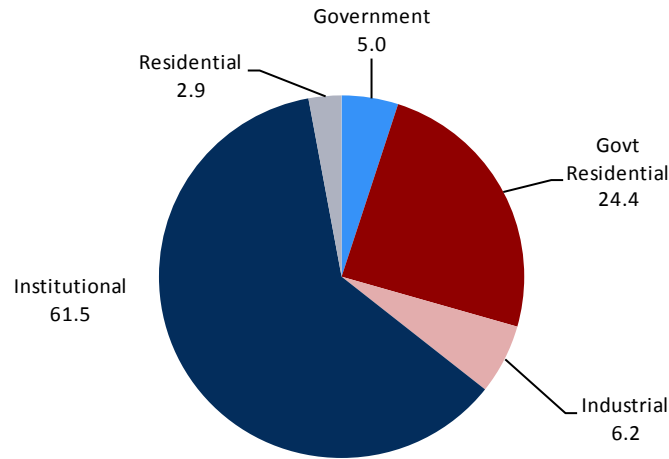
**Institutional orders continue to dominate order backlog**

**The share of government residential projects in the order mix is 24.4% following the company's entry into the affordable housing segment in Maharashtra**

**Gujarat continues to dominate the backlog with 73.2 % share led by the Surat Diamond Bourse project (~25.6% of the total order book, Rs 7.9bn residual works to be completed by Dec-20E)**

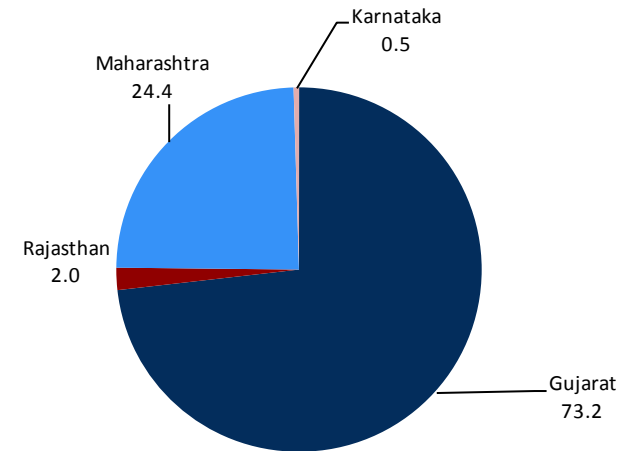
**Non SDB order book is Rs 22.9bn again dominated by Gujarat projects**

**Order Book (Segment Wise) – 3QFY20 (%)**



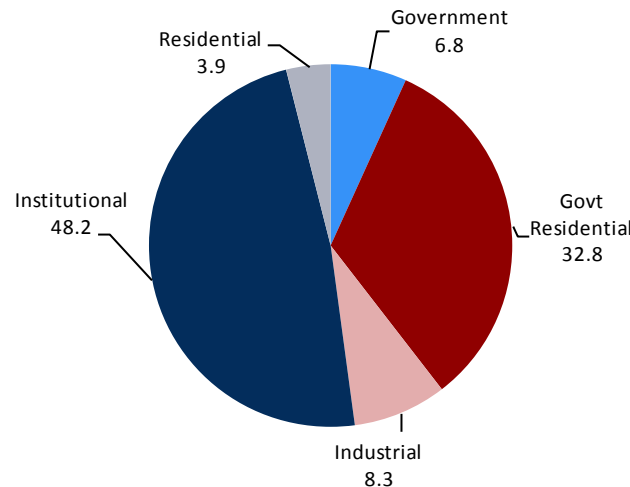
Source : Company, HDFC sec Inst Research

**Order Book (State Wise) – 3QFY20 (%)**



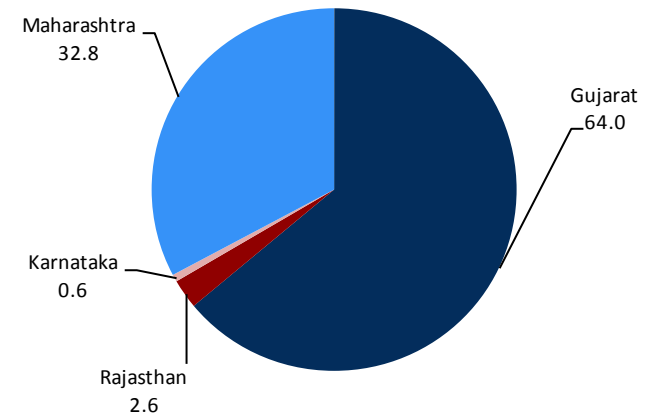
Source : Company, HDFC sec Inst Research

**Order Book (Segment Wise) ex SDB\* – 3QFY20 (%)**



Source : Company, HDFC sec Inst Research, \* Surat Diamond Bourse

**Order Book (State Wise) ex SDB\* – 3QFY20 (%)**



Source : Company, HDFC sec Inst Research, \* Surat Diamond Bourse

**Order book to grow at a CAGR of 14.2% over FY19-21E**

**Revenue to grow at a CAGR of 26.8% over FY19-21E**

**EBITDA margins to remain in the range of 13-14%**

**APAT will grow by 27.1% CAGR over FY19-21E due to a change in the corporate tax structure, resulting in an effective tax rate of 25.17%**

### Key Assumptions And Estimates (Standalone)

Key Assumptions	FY20E	FY21E	Comments
Closing order book	34,131	38,850	Order book to grow at a CAGR of 14.2% over FY19-21E
Order book growth (%)	15%	14%	
New order booking	18,500	21,500	PSP has won new orders worth Rs 15.5bn during FYTD20 and is L1 in Rs 3bn worth of projects
Book to bill ratio	2.4	2.3	
<b>Total Revenue</b>	<b>14,149</b>	<b>16,782</b>	<b>Revenue to grow at a CAGR of 26.8% over FY19-21E</b>
Growth (%)	35.5	18.6	
<b>EBIDTA</b>	<b>1,880</b>	<b>2,261</b>	<b>EBITDA to grow at a CAGR of 23.2% over FY19-21E</b>
EBIDTA margin (%)	13.3	13.5	EBITDA margins to remain in the range of 13-14%
Depreciation	270	353	In line with increased capex requirements to support execution ramp up.
Financial Charges	156	271	
<b>PBT</b>	<b>1,705</b>	<b>1,949</b>	
PBT margin (%)	12.0	11.6	
Tax	429.5	491.1	
Tax rate (%)	25.2	25.2	The Company has adopted the new tax regime (25.17%) from 2QFY20 onwards and same will be applicable over FY20-21E
<b>RPAT</b>	<b>1,275</b>	<b>1,458</b>	
Net margin (%)	9.0	8.7	
Extraordinary	-	-	
<b>Adjusted PAT</b>	<b>1,275</b>	<b>1,458</b>	<b>APAT will grow by 27.1% CAGR over FY19-21E</b>
Gross Block Turnover	7.9	7.2	
Debtor days	55	60	
CFO - a	775	989	
CFI - b	(245)	(755)	
FCF - a+b	550	139	
CFF - c	106	967	
<b>Total change in cash - a+b+c</b>	<b>636</b>	<b>1,201</b>	

Source: HDFC sec Inst Research

## Outlook And Valuation

### Maintain BUY with an increased Target Price of Rs 607/sh (vs. Rs 590/sh earlier)

#### Valuation methodology

- We have valued PSP at 15x one-year forward Mar-21E EPS.
- PSP has started bidding for Government orders and this shall be working capital dilutive. Typically CPWD projects have interest bearing advances and require bank guarantee. PSP will need to keep 25% cash margin and hence QIP dilution is imminent for growth. This is near term PE dilutive.
- With government's thrust on affordable housing, we expect significant ordering during FY21E. PSP is expected to bid for more projects and existing affordable housing/EWS projects have moved into execution during 4QFY20E.
- With maintain BUY on PSP. We value PSP at Rs 607/share (15x one-year forward Mar-21E EPS) vs. Rs 590/sh earlier. TP increase on account of 2.9% FY21E EPS upgrade.

#### Valuation

Particulars	Segments	Value (Rs mn)	Value per share(Rs)	Rationale
EPC	Core construction business	21,866	607	At 15x Mar-21E EPS
<b>Total</b>		<b>21,866</b>	<b>607</b>	

Source: HDFC sec Inst Research

#### Change in Estimates

Rs mn	FY20E New	FY20E Old	(% Change)	FY21E New	FY21E Old	(% Change)
Net Revenues	14,149	13,052	8.4	16,782	15,073	11.3
EBITDA	1,880	1,757	7.0	2,261	2,030	11.4
Margins (%)	13.3	13.5	0.0	13.5	13.5	0.0
APAT	1,275	1,190	7.1	1,458	1,417	2.9

Source: HDFC sec Inst Research

*We maintain BUY on PSP with a TP of Rs 607/share (15x one year forward Mar-21E EPS)*

*We have revised our estimates for FY20/FY21E to factor in new projects wins during FY20E and robust execution in SDB project*

*We summarize the valuations of the core EPC operations of our coverage universe and excluding the value of the asset portfolio, land and any other investment*

### Peer Set Comparison: Core EPC

COMPANY	MCap (Rs bn)	CMP (Rs)	RECO	TP (Rs)	Adj. EPS (Rs/sh)			P/E (x)			EV/EBITDA (x)			ROE (%)		
					FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19	FY20E	FY21E
Dilip Buildcon	54.2	396	BUY	717	55.6	45	48	4.6	5.7	5.3	4.5	3.8	3.5	26.9	17.5	15.8
PNC Infratech	51.3	200	BUY	339	9.1	13.2	16	16	11.1	9.1	8.8	5.3	5	11.9	15.3	15.4
KNR Constructions	39.8	283	BUY	378	12.3	14.1	17.7	18.1	15.8	12.6	7.9	7.1	5.8	13.5	13	13.7
Ashoka Buildcon	31.9	114	BUY	206	11.5	9.5	11.2	3.7	4.4	3.7	3.8	3.5	3.2	15.5	12.6	13.2
NCC	30.6	51	BUY	106	10.4	5.1	6.5	4.1	8.4	6.6	3	3.9	3	13.8	6.2	7.4
Ahluwalia Contracts	21.3	317	BUY	388	17.5	18.3	25	17.4	16.7	12.2	8.7	8.4	6.1	17.3	15.4	18
Sadbhav Engineering	20.1	117	BUY	241	10.9	11	13.2	6.8	6.7	5.6	6.5	4.5	4.1	9.2	8.6	9.4
<b>PSP Projects</b>	<b>18.4</b>	<b>511</b>	<b>BUY</b>	<b>607</b>	<b>25.1</b>	<b>35.4</b>	<b>40.5</b>	<b>20.4</b>	<b>14.4</b>	<b>12.6</b>	<b>12.4</b>	<b>10.2</b>	<b>8.7</b>	<b>26.8</b>	<b>30.1</b>	<b>27.2</b>
HG Infra	17.2	263	BUY	441	19	26.4	33.2	11.7	8.4	6.7	5.9	4.8	3.9	20.6	22.8	22.7
JMC Projects	16.7	100	BUY	175	8.5	9.7	10.9	8.8	7.7	6.9	5.7	4.6	3.9	16.6	16.4	15.8
Capacite Infraprojects	12.6	186	BUY	360	14.1	15.8	27.2	17.8	10.9	6.4	5.1	4.1	3.1	12	12	17.8
ITD Cementation	11.5	67	BUY	83	3.2	4.8	6.9	20.8	14	9.7	6.3	5.2	4.5	6.8	7.7	10.3
JKIL	10.1	148	BUY	276	23.4	27.8	34.5	6.3	5.3	4.3	3.7	3.1	2.7	11.1	12	13.4
<b>Average</b>								<b>12.0</b>	<b>10.0</b>	<b>7.8</b>	<b>6.3</b>	<b>5.3</b>	<b>4.4</b>	<b>15.5</b>	<b>14.6</b>	<b>15.4</b>

Source: Company, HDFC sec Inst Research \*ITD Cementation FY19E/FY20E should be read as 15MFY19E/FY20E

**Income Statement (Standalone)**

Y/E March (Rs mn)	FY17	FY18	FY19	FY20E	FY21E
<b>Net Revenues</b>	<b>4,008</b>	<b>7,298</b>	<b>10,441</b>	<b>14,149</b>	<b>16,782</b>
<b>Growth (%)</b>	<b>(12.5)</b>	<b>82.1</b>	<b>43.1</b>	<b>35.5</b>	<b>18.6</b>
Material Expenses	3,047	5,912	8,406	11,536	13,681
Employee Expenses	208	286	432	591	671
Other Operating Expenses	95	86	113	141	168
<b>EBIDTA</b>	<b>658</b>	<b>1,014</b>	<b>1,490</b>	<b>1,880</b>	<b>2,261</b>
<b>EBIDTA (%)</b>	<b>16.4</b>	<b>13.9</b>	<b>14.3</b>	<b>13.3</b>	<b>13.5</b>
<b>EBIDTA Growth (%)</b>	<b>67.3</b>	<b>54.2</b>	<b>46.9</b>	<b>26.2</b>	<b>20.3</b>
Depreciation	76	112	242	270	353
<b>EBIT</b>	<b>582</b>	<b>902</b>	<b>1,248</b>	<b>1,610</b>	<b>1,908</b>
Other Income (Incl. EO Items)	134	184	229	250	311
Interest	75	87	92	156	271
<b>PBT</b>	<b>640</b>	<b>999</b>	<b>1,385</b>	<b>1,705</b>	<b>1,949</b>
Tax	226	355	483	430	491
<b>RPAT</b>	<b>414</b>	<b>644</b>	<b>902</b>	<b>1,275</b>	<b>1,458</b>
EO items (net of tax)	2	6	-	-	-
<b>APAT</b>	<b>416</b>	<b>649</b>	<b>902</b>	<b>1,275</b>	<b>1,458</b>
<b>APAT Growth (%)</b>	<b>64.9</b>	<b>56.0</b>	<b>38.9</b>	<b>41.3</b>	<b>14.3</b>
<b>EPS</b>	<b>14.5</b>	<b>18.0</b>	<b>25.1</b>	<b>35.4</b>	<b>40.5</b>
<b>EPS Growth (%)</b>	<b>(81.7)</b>	<b>24.8</b>	<b>38.9</b>	<b>41.3</b>	<b>14.3</b>

Source: Company, HDFC sec Inst Research

**Balance Sheet (Standalone)**

As at March (Rs mn)	FY17	FY18	FY19	FY20E	FY21E
<b>SOURCES OF FUNDS</b>					
Share Capital	288	360	360	360	360
Reserves	783	2,667	3,354	4,399	5,595
<b>Total Shareholders Funds</b>	<b>1,071</b>	<b>3,027</b>	<b>3,714</b>	<b>4,759</b>	<b>5,955</b>
Minority Interest	-	-	-	-	-
Long Term Debt	34	17	4	4	4
Short Term Debt	644	199	436	928	2,428
<b>Total Debt</b>	<b>677</b>	<b>216</b>	<b>440</b>	<b>932</b>	<b>2,432</b>
Deferred Taxes	(15)	(18)	(49)	(49)	(49)
<b>TOTAL SOURCES OF FUNDS</b>	<b>1,733</b>	<b>3,225</b>	<b>4,106</b>	<b>5,643</b>	<b>8,338</b>
<b>APPLICATION OF FUNDS</b>					
Net Block	508	770	1,032	987	1,484
CWIP	-	18	-	-	-
Investments, LT Loans & Advances	606	644	605	774	918
<b>Total Non-current Assets</b>	<b>1,113</b>	<b>1,433</b>	<b>1,637</b>	<b>1,761</b>	<b>2,402</b>
Inventories	30	335	750	1,008	1,379
Unbilled Revenue	-	-	230	340	403
Retention	192	394	475	644	764
Debtors	533	1,162	1,426	2,132	2,759
Cash & Equivalents	33	662	359	194	1,012
Cash Margin/FDR	1,126	1,722	1,860	2,547	2,929
Other Current Assets	104	129	521	857	965
<b>Total Current Assets</b>	<b>2,018</b>	<b>4,403</b>	<b>5,620</b>	<b>7,721</b>	<b>10,211</b>
Creditors	693	1,213	1,585	1,940	2,185
Less: Acceptances	-	-	(178)	(178)	(178)
Advances from customers	460	1,187	1,401	1,701	1,851
Other Current Liabilities & Provns	245	211	344	376	418
<b>Total Current Liabilities</b>	<b>1,398</b>	<b>2,611</b>	<b>3,152</b>	<b>3,839</b>	<b>4,275</b>
<b>Net Current Assets</b>	<b>619</b>	<b>1,792</b>	<b>2,469</b>	<b>3,882</b>	<b>5,936</b>
Misc Expenses & Others	-	-	-	(2)	(2)
<b>TOTAL APPLICATION OF FUNDS</b>	<b>1,733</b>	<b>3,225</b>	<b>4,106</b>	<b>5,643</b>	<b>8,338</b>

Source: Company, HDFC sec Inst Research

**Cash Flow (Standalone)**

Y/E March (Rs mn)	FY17	FY18	FY19	FY20E	FY21E
PBT	639	999	1,385	1,705	1,949
Non-operating & EO items	(69)	(178)	(198)	(250)	(311)
Interest expenses	7	46	45	156	271
Depreciation	76	112	242	270	353
Working Capital Change	(497)	145	(720)	(676)	(781)
Tax paid	(145)	(409)	(477)	(430)	(491)
<b>OPERATING CASH FLOW ( a )</b>	<b>11</b>	<b>716</b>	<b>276</b>	<b>775</b>	<b>989</b>
Capex	(71)	(475)	(394)	(225)	(850)
Free cash flow (FCF)	(60)	241	(118)	550	139
Investments + Investment Income	(9)	178	55	(20)	95
<b>INVESTING CASH FLOW ( b )</b>	<b>(80)</b>	<b>(296)</b>	<b>(339)</b>	<b>(245)</b>	<b>(755)</b>
Share capital Issuance	-	1,421	-	-	-
Debt Issuance	215	(461)	46	492	1,500
Interest expenses	(55)	(46)	(45)	(156)	(271)
Dividend + Other Misc	-	(108)	(217)	(229)	(262)
<b>FINANCING CASH FLOW ( c )</b>	<b>160</b>	<b>805</b>	<b>(215)</b>	<b>106</b>	<b>967</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>90</b>	<b>1,225</b>	<b>(278)</b>	<b>636</b>	<b>1,201</b>
Closing Cash & Equivalents	1,159	2,384	2,219	2,740	3,941

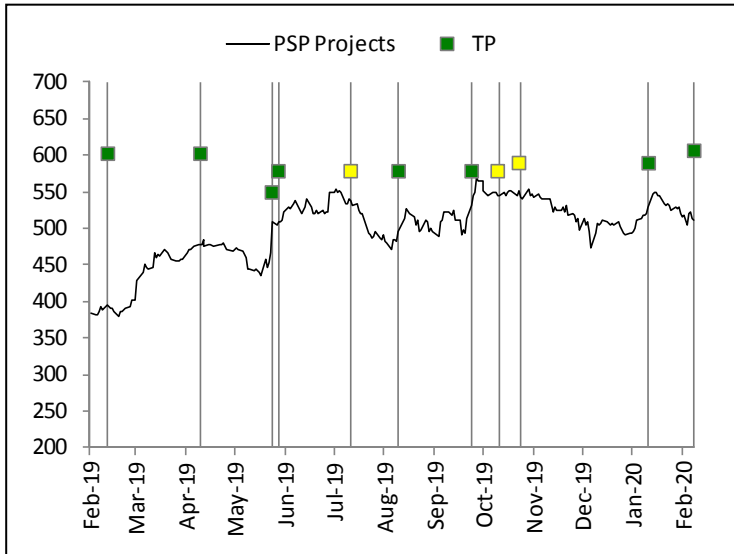
Source: Company, HDFC sec Inst Research

**Key Ratios (Standalone)**

Y/E March	FY17	FY18	FY19	FY20E	FY21E
<b>PROFITABILITY (%)</b>					
GPM	24.0	19.0	19.5	18.5	18.5
EBITDA Margin	16.4	13.9	14.3	13.3	13.5
EBIT Margin	14.5	12.4	12.0	11.4	11.4
APAT Margin	10.4	8.9	8.6	9.0	8.7
RoE	48.2	31.7	26.8	30.1	27.2
Core RoCE	34.4	29.7	25.9	25.8	22.3
RoCE	26.8	21.9	23.4	24.7	19.9
<b>EFFICIENCY</b>					
Tax Rate (%)	35.3	35.6	34.9	25.2	25.2
Asset Turnover (x)	4.9	6.1	6.2	7.4	6.1
Inventory (days)	3	17	26	26	30
Unbilled Revenue (days)	-	-	8	9	9
Retention (days)	17	20	17	17	17
Debtors (days)	49	58	50	55	60
Payables (days)	63	61	49	45	44
Cash Margin/FDR	103	86	65	66	64
Advances from customers	42	60	49	44	41
Other Current Assets (days)	9	6	18	22	21
Other Current Liab (days)	22	11	12	10	9
<b>Net Working Capital Cycle (Days)</b>	<b>53</b>	<b>56</b>	<b>73</b>	<b>95</b>	<b>107</b>
Debt/EBITDA (x)	1.0	0.2	0.3	0.5	1.1
Net D/E	0.6	(0.1)	0.0	0.2	0.2
Interest Coverage	7.7	10.4	13.6	10.3	7.0
<b>PER SHARE DATA</b>					
EPS (Rs/sh)	14.5	18.0	25.1	35.4	40.5
CEPS (Rs/sh)	17.1	21.1	31.8	42.9	50.3
DPS (Rs/sh)	0.0	3.0	6.0	6.4	7.3
BV (Rs/sh)	37	84	103	132	165
<b>VALUATION</b>					
P/E	35.4	28.3	20.4	14.4	12.6
P/BV	13.7	6.1	5.0	3.9	3.1
EV/EBITDA	23.4	17.7	12.4	10.2	8.8
OCF/EV (%)	0.0	0.0	0.0	0.0	0.0
FCF/EV (%)	(0.4)	1.3	(0.6)	2.9	0.7
FCFE/Market Cap (%)	0.7	(1.4)	(0.6)	4.8	7.4
Dividend Yield (%)	0.0	0.6	1.2	1.2	1.4

Source: Company, HDFC sec Inst Research



**RECOMMENDATION HISTORY**


Date	CMP	Reco	Target
11-Feb-19	396	BUY	603
9-Apr-19	479	BUY	603
23-May-19	457	BUY	550
28-May-19	505	BUY	579
11-Jul-19	538	NEU	579
10-Aug-19	495	BUY	579
22-Sep-19	515	BUY	579
10-Oct-19	545	NEU	579
24-Oct-19	551	NEU	590
10-Jan-20	529	BUY	590
8-Feb-20	511	BUY	607

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- BUY** : Where the stock is expected to deliver more than 10% returns over the next 12 month period  
**NEUTRAL** : Where the stock is expected to deliver (-)10% to 10% returns over the next 12 month period  
**SELL** : Where the stock is expected to deliver less than (-)10% returns over the next 12 month period

## INSTITUTIONAL RESEARCH

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**Any holding in stock –No**

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