Kalpataru Projects International Ltd.

08 December 2025

The juggernaut getting bigger

INITIATING COVERAGE

Sector: Capital Goods | **Rating: BUY**

CMP: Rs 1,165 | **TP: Rs 1,380**

Stock Info	
Sensex/Nifty	84.8691/25,927
Bloomberg	KPIL IN
Equity shares (mn)	171
52-wk High/Low	1,353/786
Face value	Rs 2
M-Cap	Rs 199bn/ USD 2.2bn
3-m Avg volume	USD1.3mn

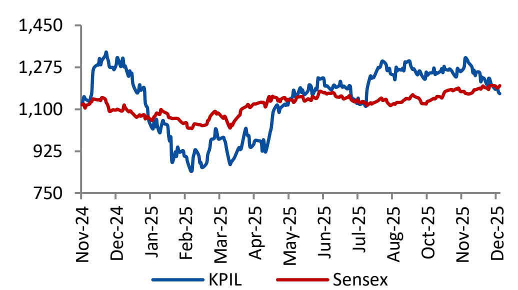
Financial Snapshot (Rs mn)

Y/E Mar	FY26E	FY27E	FY28E
Net sales	271,393	305,850	354,653
EBITDA	23,343	26,880	31,672
OPM (%)	8.6%	8.8%	8.9%
PAT (adj.)	9,327	11,603	14,737
EPS (adj.) (Rs)	54.6	67.9	86.3
PE (x)	21.8	17.5	13.8
P/B (x)	5.5	4.7	4.0
EV/EBITDA (x)	10.4	8.7	7.3
RoE (%)	13%	15%	16%
RoCE (%)	11%	13%	14%
Net-D/E (x)	0.6	0.4	0.3

Shareholding Pattern (%)

	Sep'25	Jun'25	Mar'25
Promoter	33.6%	33.6%	33.5%
- Pledged			
FII	12%	11.8%	11.6%
DII	44.1%	44.8%	45%
Others	10.3%	9.8%	9.9%

Stock Performance (1-year)



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Kalpataru Projects International Limited (KPIL IN) holds pole position in India's transmission & distribution (T&D) engineering, procurement, and construction (EPC) industry, with huge presence across buildings & factories (B&F), water, oil & gas (O&G), railways and urban infrastructure. It has substantial presence in international geographies (~41% of order book), with major contribution from the LATAM, Middle Eastern, Southeast Asian and European markets. The company is also widening its international presence in high-potential markets within the T&D and O&G space. KPIL's domestic expansion focus lies in metro, urban infrastructure and high-value industrial and institutional projects. We have built in revenue and PAT CAGR of 17% and 36%, respectively, over FY25-28E and factored in ~70bps expansion in EBITDA margin over 3 years. We estimate post-tax RoCE of 14.2% in FY28E (10.7% in FY25). Initiate with a BUY and target price (TP) of Rs 1,380, based on 16x FY28E EPS.

A diversified EPC player with leadership in domestic T&D and B&F EPC industry

KPIL is a leader in the T&D and B&F EPC domestic space. The company commands 15-20% hit rate in domestic T&D EPC industry tenders, while its international orderbook (OB) is diversified across SAARC, Americas, Africa, Europe, Middle East, CIS and APAC. The B&F business caters to key marquee private real estate developers (95% of the OB is private), where it has fortified its presence in the residential, commercial and industrial design build EPC space. KPIL's B&F business is mostly concentrated in India's southern region with Prestige, Brigade, DLF, Apollo, AIIMS as its key clients. It plans to expand its presence in the western and northern real estate markets. The company is also seeing healthy traction in the newer segments of airport, data center, metro, etc.

Riding T&D and B&F capex tailwinds

KPIL has immensely benefitted from the capex uptick in T&D and real estate industries over FY22-25, recording 22% CAGR in consolidated order inflow (OI) over FY21-24, before dipping in FY25. T&D and B&F segments recorded CAGR of 23% and 15%, respectively, in OI over FY21-25. The domestic T&D business has been buoyed by increased TBCB tenders (T&D domestic OI CAGR of 44% over FY22-25) with National Electricity Plan for Transmission envisaging capex of Rs9.15trn over FY23-32. The company has grown International T&D OI at ~16% CAGR over FY22-25, which was largely driven by its strong presence in LATAM, Middle Eastern, African, Nordic and SAARC markets. T&D orderbook grew at 34% CAGR over FY21-25 to ~Rs 263bn as at end 2QFY26. The company expects revenue to grow at 20-25% revenue CAGR over FY25-27. Large residential developers, new areas of data centers, entry into newer domestic regions such as MMR and NCR, etc., drove B&F order inflows. The B&F OB grew at 14% CAGR over FY21-25. The company expects the business to grow revenue at ~18-20% CAGR over FY26-28, with close to double-digit margin.

Investors are advised to refer disclosures made at the end of the research report.

Weak collections pertaining to Jal Jeevan Mission a drag on the water segment

KPIL is a key EPC player in the domestic water supply and irrigation EPC segments. It recorded ~Rs 200bn of cumulative order inflows over FY20-25, most of which pertains to Jal Jeevan Mission (JJM) water-linked projects. With ~Rs10bn receivable (most of it delayed and related to Jal Jeevan Mission) in the water business at 2QFY26 end, the company has seen slowed down execution and order booking. Water segment saw sharp OI over FY21-23 (cumulative Rs165bn) driven by key wins in Jal Jeevan Mission scheme, inflows over FY24-25 have moderated (cumulative OI of Rs 29.4bn over FY24-25. The water business has substantial OB of Rs 83.8bn (-20% YoY) as at end 2QFY26.

Significant successes in new segments within civil infrastructure and Oil & Gas

KPIL has substantially expanded its international business in last five years, through a mix of organic and inorganic growth strategies. While it acquired the Swedish (LMG) and Brazil (Fasttel) subsidiaries to gain in roads into the Nordic and Brazilian power T&D markets, the company has bagged several large international orders, which include an international airport and a housing project in Maldives, a gas pipeline project in Saudi Arabia, water pipeline projects in Asia and road projects in Africa. In FY24, the company made a significant international break through when it bagged a large order pertaining to the O&G segment from Saudi Aramco (Rs 75.5bn). This portends a huge opportunity, as Middle East is looking to ramp up investments in gas infrastructure, in line with their emission reduction targets.

Working capital management, sale of non-core assets, water receivable improvement - key to RoCE improvement

KPIL's consolidated net working capital (NWC) averaged ~107 days over FY20-25, with FY25 NWC at 91 days, led by increased receivables. Of the ~Rs 78.2bn of receivables as at end FY25 (Rs 72.2bn at 2QFY26 end), Rs 15bn pertained to the elongated receivables from the JJM projects under water segment. The company is targeting receivables of <100 days for standalone and <90 days for consolidated by FY26, without factoring in the substantial collections pertaining to JJM receivables. KPIL pivoted to a low gearing capital structure in FY25 through its QIP of Rs 10bn. It reduced its net debt to Rs 24bn (-19% YoY) as of end FY25. The company's pre-tax RoCE has been hovering at 11-17% in last six years, with RoCE OF 15.5% in FY25.

Initiate with a BUY; TP of Rs 1,380

Our estimate of 17% and 36% CAGR in revenue and PAT, respectively, over FY25-28E factors in ~70bps EBITDA margin expansion over three years. We expect post-tax RoCE to improve from 10.7% in FY25 to 14.2% in FY28E. Initiating coverage with a BUY and TP of Rs 1,380, based on 16x FY28E EPS.

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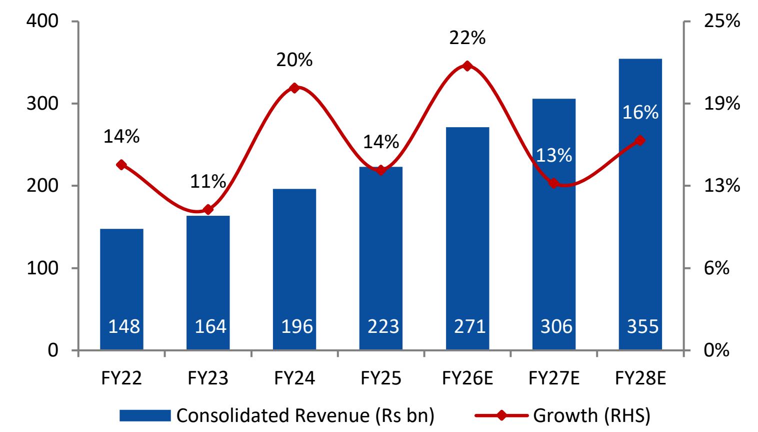
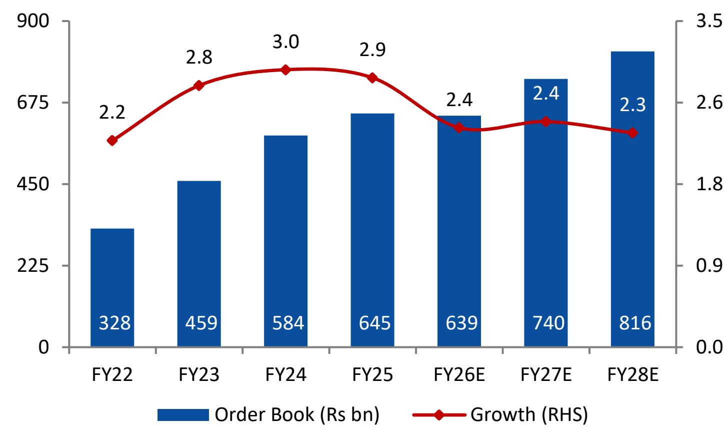
Story in Charts

Exhibit 1: 17% revenue CAGR over FY25-28E…



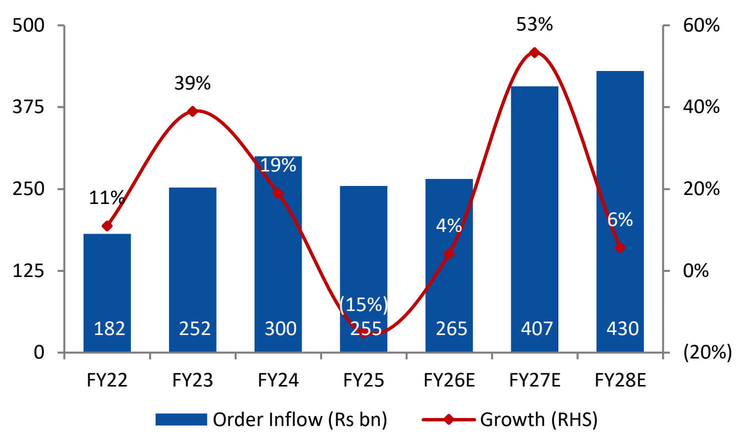
Source: Company, Systematix Research

Exhibit 2: …driven by robust order book /revenue



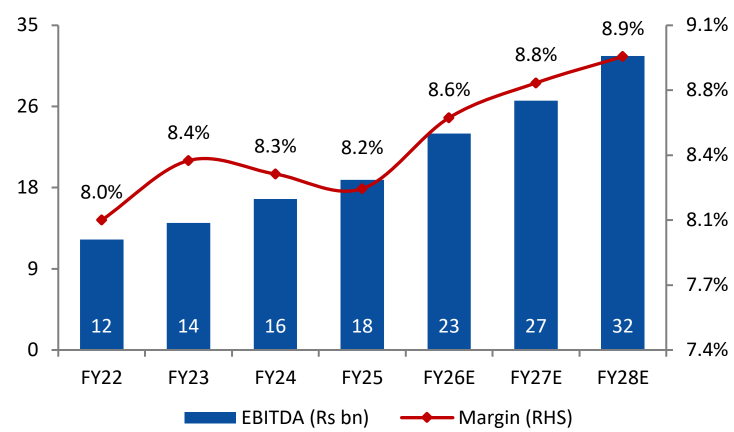
Source: Company, Systematix Research

Exhibit 3: Order inflow to expand at 19% CAGR over FY25-28E



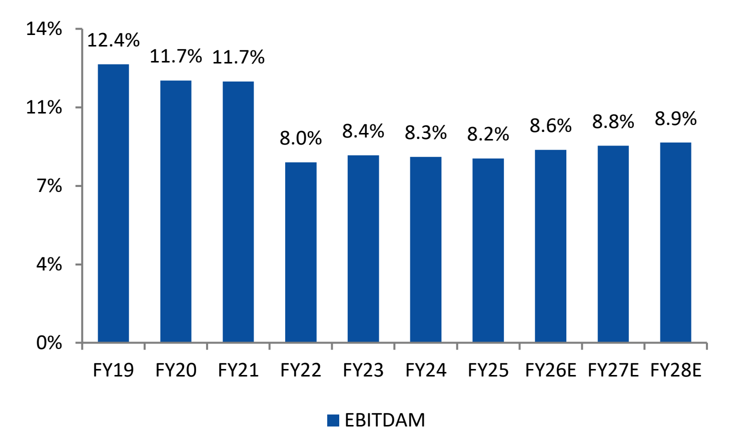
Source: Company, Systematix Research

Exhibit 4: 20% EBITDA CAGR over FY25-28E



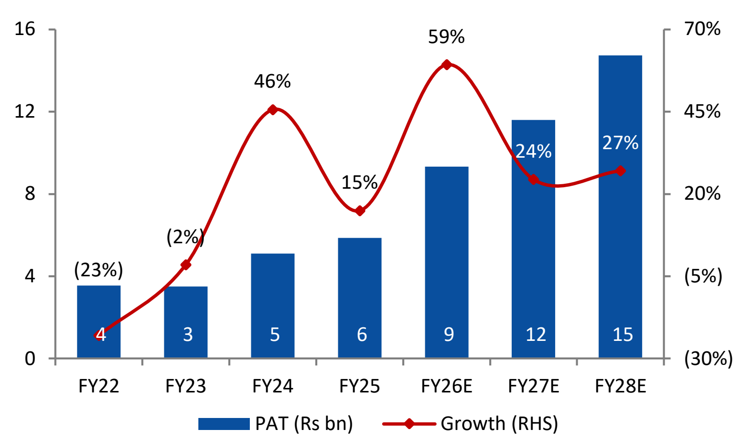
Source: Company, Systematix Research

Exhibit 5: EBITDA margin to improve to 8.9% by FY28E



Source: Company, Systematix Research

Exhibit 6: 36% PAT CAGR over FY25-28E



Source: Company, Systematix Research

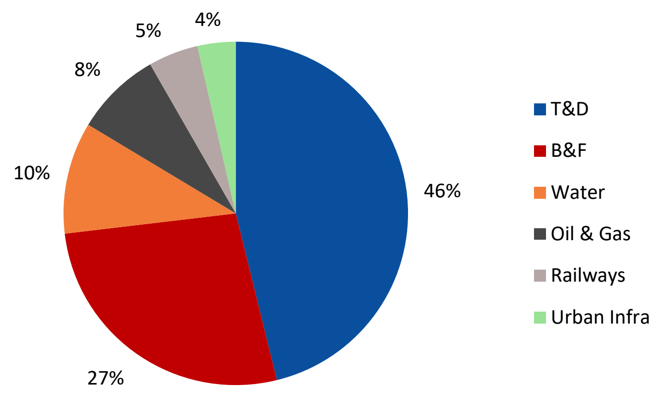
Investment Thesis

Diversified EPC leader in domestic T&D and civil construction; focussed international footprint

KPIL is a leader in India's T&D EPC industry with a 15-20% hit rate in the tenders of this industry. However, its international orderbook (OB) is diversified across SAARC, Americas, Africa, Europe, Middle East, CIS and APAC. The company's EPC capabilities are diversified across the buildings & factories, water supply and irrigation, urban infrastructure, oil & gas and railways sectors in the domestic and select international markets.

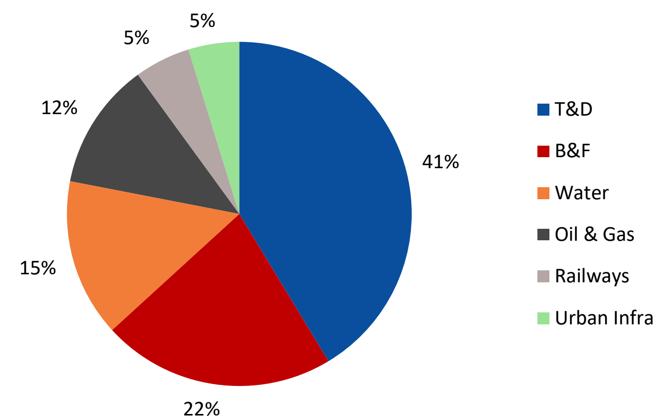
Its B&F business caters to key marquee private real estate developers (95% of its OB is private) such as Prestige, Brigade, Purvankara, DLF, Godrej, etc., where the company has fortified its presence in residential, commercial and industrial design build EPC space. So far, the company has been largely catering to India's large southern markets of Bangalore, Hyderabad, Chennai, Vijayawada, etc. It has recently forayed into the NCR and MMR regions and is seeing healthy traction in the newer airport and data centre segments.

Exhibit 7: Consolidated segment-wise revenue split (FY25)



Source: Company, Systematix Research

Exhibit 8: Segment-wise orderbook split (FY25)



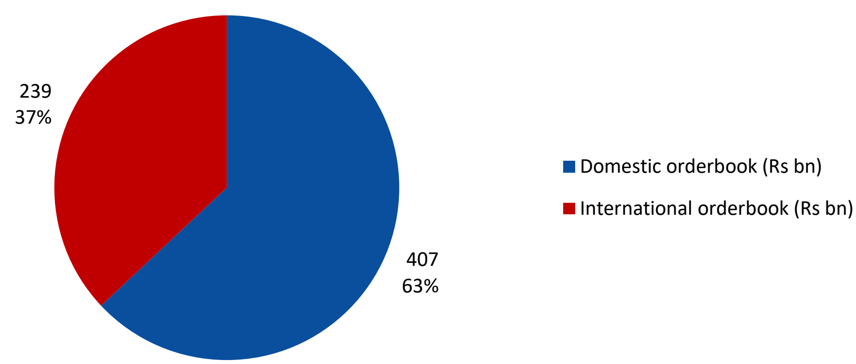
Source: Company, Systematix Research

T&D and B&F were the two largest segments in terms of consolidated revenue contribution of 46% and 27%, respectively, in FY25. The two segments cumulatively contributed 63% to the OB, with T&D contributing 41% and B&F 22%. Jal Jeevan Mission projects constituted a large part of its 10% revenue contribution in the water segment, but the same was lower than the 15% contribution in OB, given delayed payments arising from slow execution. Revenue contribution in the O&G segment picked up from FY25, as the company bagged a large pipeline order from Saudi Aramco in FY24; this segment contributed 12% to the overall OB. The EPC railway business has been under pressure for the last three years, which explains the low single-digit revenue contribution in this segment. The company is looking to ramp up its urban infrastructure business with its recent foray into newer segments such as metro, tunnelling, etc.

International business 37% of overall OB as at end 2QFY26

KPIL's international orderbook of Rs 239bn (37% of the total OB as at end 2QFY26) with a significant portion coming from Nordic, Latin American, Middle Eastern and African geographies. The company has positioned itself as a key EPC player not just in T&D but even in the road infrastructure, buildings & factories, oil & gas and airport segments in select international geographies. It is looking to ramp up its urban infrastructure business internationally, in addition to capturing opportunities in the oil & gas segment in the middle east. In the T&D business, renewable capacity addition targets (LATAM and Caribbean), modernization of older grids and augmentation of T&D infrastructure in under-penetrated regions (like Africa) are expected to drive business in these geographies.

Exhibit 9: International business - 37% of overall OB



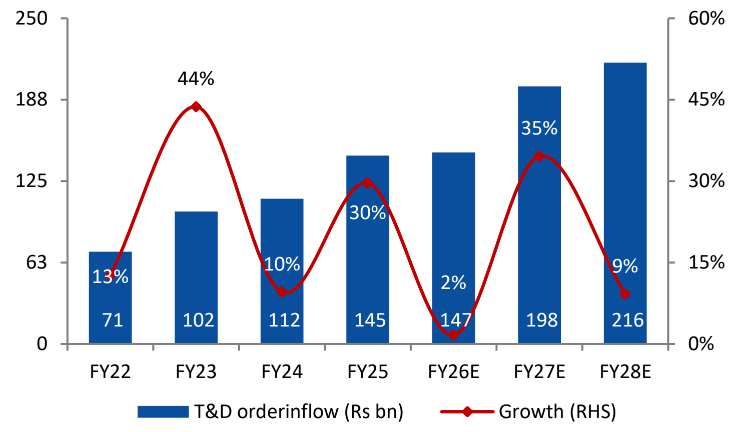
Source: Company, Systematix Research

Riding capex tailwinds in T&D and B&F; T&D ordering momentum to stay robust

KPIL has immensely benefitted from the uptick in T&D and buildings capital expenditure of the economy over FY22-25. Its consolidated order inflow (OI) expanded at 22% CAGR over FY21-24 before dipping in FY25. The company's T&D and B&F segments recorded CAGR of 23% and 15%, respectively, in OI over FY21-25.

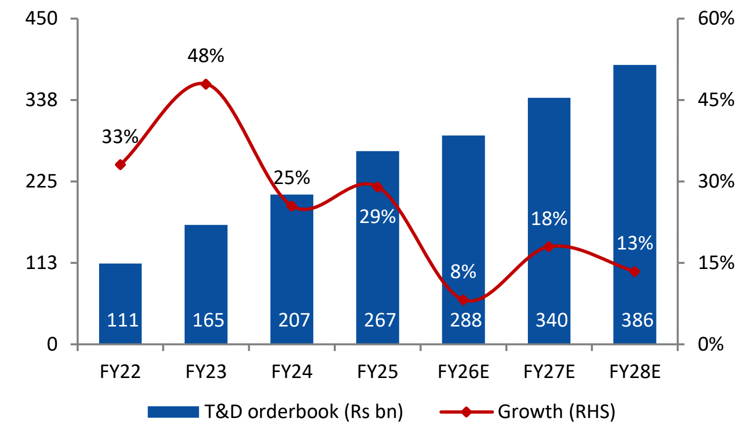
The domestic T&D business saw a boost from higher TBCB tenders (T&D domestic OI CAGR of 44% over FY22-25) with the National Electricity Plan (NEP) for transmission envisaging a capex of Rs 9.15trn over FY23-32. The company has grown its international T&D OI at ~16% CAGR over FY22-25, largely due to its strong presence in the LATAM, Middle eastern, African, Nordic and SAARC markets. The T&D OB surged at 34% CAGR during FY21-25 to ~Rs 263bn as of end 2QFY26. Management has indicated 20-25% revenue CAGR over FY25-28 (we estimate 17% revenue CAGR over FY25-28E)

Exhibit 10: Building in 18% T&D OI CAGR over FY25-28E…



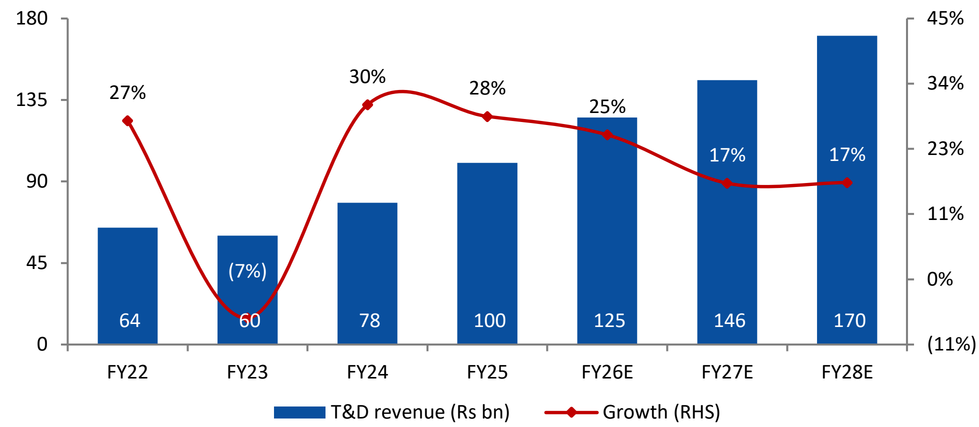
Source: Company, Systematix Research

Exhibit 11: …akin to growth in OB



Source: Company, Systematix Research

Exhibit 12: 20% revenue CAGR over FY25-28E



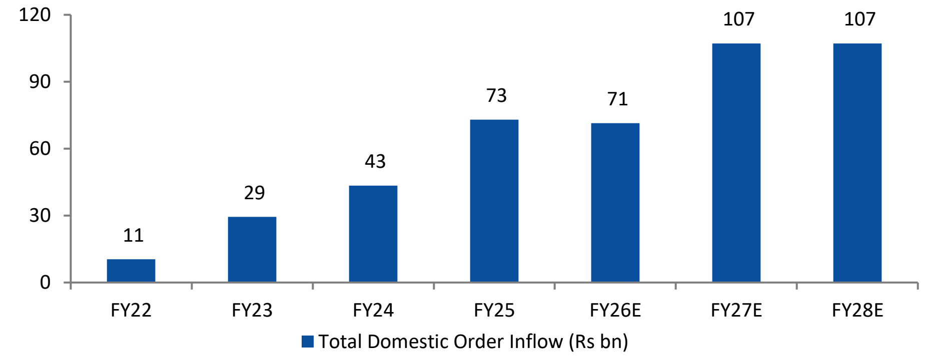
Source: Company, Systematix Research

Domestic T&D has runway of mid-double-digit order inflow growth

KPIL's domestic T&D OI has grown at 44% CAGR over FY22-25 to Rs 73bn (~50% of overall T&D OI). The NEP envisages ~9% CAGR in power capacity (399GW to 902GW) and Rs 9.15trn transmission capex over FY23-32, of which it has already spent ~Rs 4trn. This could translate into a ~Rs 5trn opportunity over FY26-32 (~Rs 800bn per annum). The company's large wins in Solar Power Generation EPC market would be an additional boost to its domestic T&D OI.

Solar and thermal power evacuation projects, strong wins in solar EPC, large size complex projects like HVDC are expected to drive ~17% CAGR in KPIL's order inflow over FY25-28E. The company has a 15-20% hit rate in domestic T&D tenders' business, further buoyed by the significant jump in tendering and awards related to green energy corridors (renewable evacuation), augmentation of Northeast infrastructure and strengthening of existing transmission infrastructure to cater to increased loads.

Exhibit 13: Domestic T&D OI to clock 14% CAGR over FY25-28

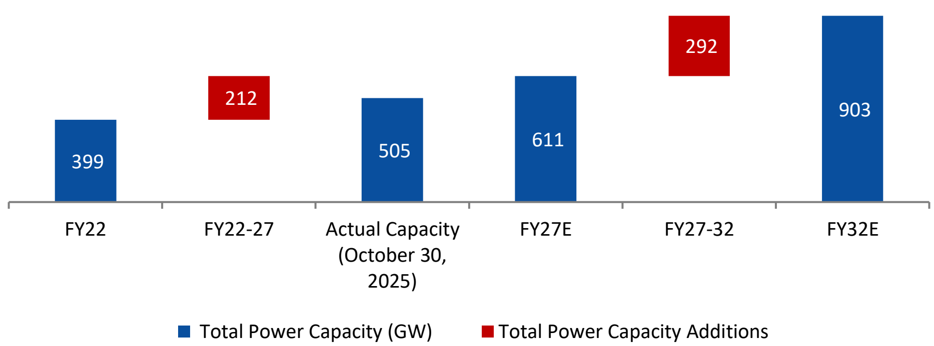


Source: Company, Systematix Research

India power capacity expected to reach ~902GW by FY32

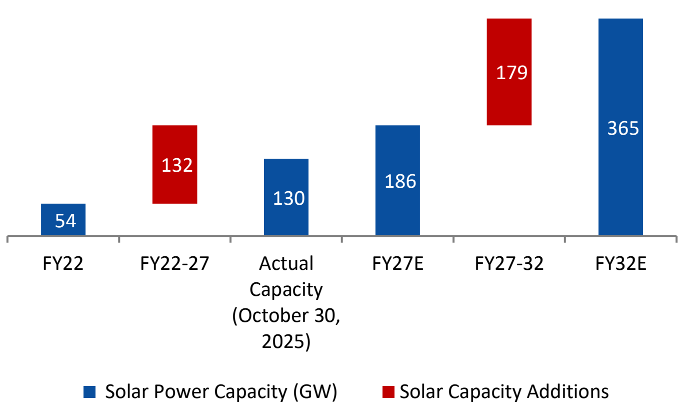
NEP–Generation has pegged India's total installed power capacity to rise to 903GW by FY32 from 399GW as at FY22 end, with total addition of 504GW during FY23-32. This includes addition of 212GW during FY22-27 and 292GW during FY27-32. About 81% of the incremental additions are expected in solar and coal-based power capacities. NEP envisages solar capacity addition of 311GW and thermal capacity addition of 80GW during FY23-32.

Exhibit 14: Total power capacity to leapfrog to ~2.3x over FY23-32 (504GW addition)



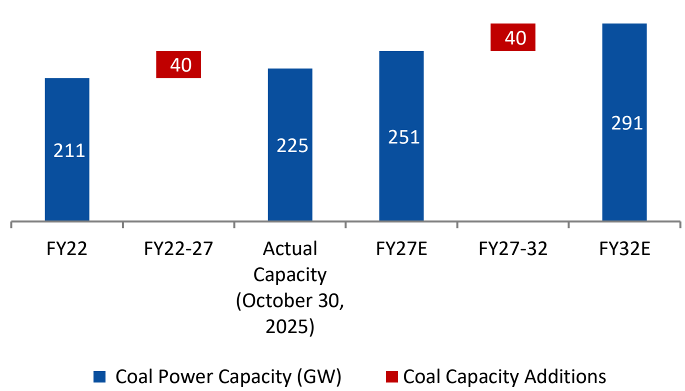
Source: CEA, Systematix Research

Exhibit 15: Solar power capacity to expand at ~7x over FY23-32



Source: Company, Systematix Research

Exhibit 16: 80GW of coal-based capacity to be added over FY23-32



Source: Company, Systematix Research

NEP transmission envisages Rs 9.15trn of domestic T&D capex over FY23-FY32

NEP envisages a capex opportunity of Rs 9.15trn over FY23-FY32, driven by the need to augment inter-regional transmission capacity from 119GW to 168GW (+49GW) over FY23-32. This entails addition of ~2lakh ckm of transmission lines (TL) and ~1,100GVA of substation capacity over FY23-32 (>220kV). Additionally, 33.25GW of HVDC capacity (9 lines) is expected to be added during this period.

Exhibit 17: Planned addition in TL and substation capacities

	FY22-27	FY27-32	Total
Transmission lines			
Total addition (lakh ckm)	1.23	0.77	2.0
Substation capacity			
Total addition (GVA)	711	389	1,100

Source: NEP-transmission, Systematix Research

Exhibit 18: Transmission Lines and Substation capacity additions over 5 years

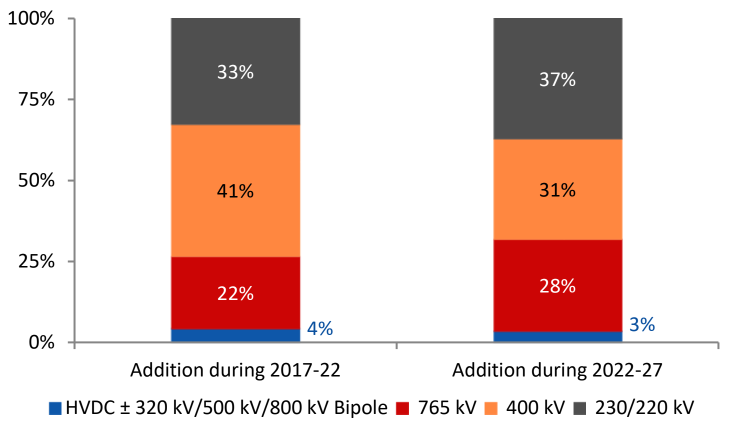
Transmission type	FY17	Addition (FY17-22)	FY22	Likely addition during 2022-27	FY27E
Transmission lines (ckm)					
HVDC	15,556	3,819	19,375	4,300	23,675
765 kV	31,240	19,783	51,023	35,005	86,028
400 kV	1,57,787	36,191	1,93,978	38,245	2,32,223
230/220 kV	1,63,268	29,072	1,92,340	46,027	2,38,367
Total TL	**3,67,851**	**88,865**	**4,56,716**	**1,23,577**	**5,80,293**
Substations (MVA)					
765 kV	1,67,500	89,700	2,57,200	3,19,500	5,76,700
400 kV	2,40,807	1,52,306	3,93,113	2,68,135	6,61,248
230/220 kV	3,12,958	1,07,679	4,20,637	1,23,305	5,43,942
Total substation capacity	**7,21,265**	**3,49,685**	**10,70,950**	**7,10,940**	**17,81,890**
HVDC (MW)					
Bi-pole link capacity	16,500	14,000	30,500	12,000	42,500
Back-to back capacity	3,000	-	3,000	-	3,000
Total HVDC	**19,500**	**14,000**	**33,500**	**12,000**	**45,500**

Source: NEP-Transmission, Systematix Research

765kV lines and substations to garner a larger share of capacity addition

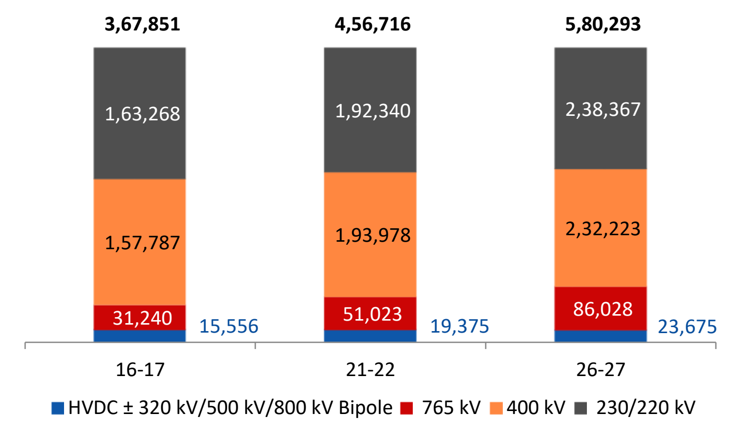
As part of the grid modernization plan, compared to FY17-22, 765kV is slated to have higher contribution in incremental addition of both TL and substations during FY23-27. The contribution of 765kV category in the addition mix is expected to increase to 28% in TL (from 22% over FY17-22) and to 45% in substation (from 26% over FY17-22), largely benefiting players in the higher kV category (KPIL has capabilities to provide T&D EPC services of up to 1200kv on both, TL and substation fronts).

Exhibit 19: Voltage-wise percentage share in TL addition



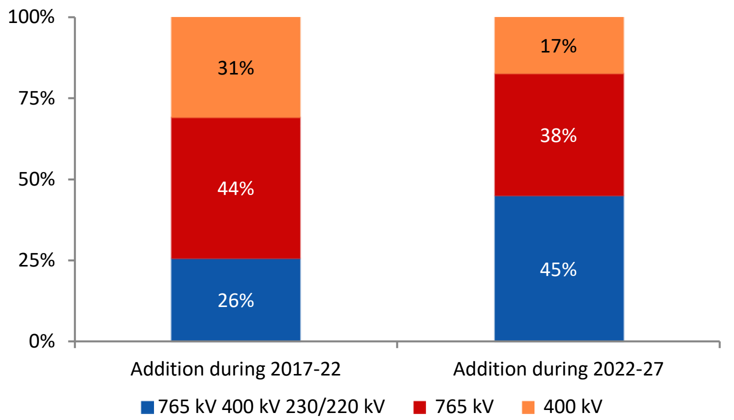
Source: NEP-transmission, Systematix Research

Exhibit 20: TL capacity to rise to 5.8 lakh ckm by FY27



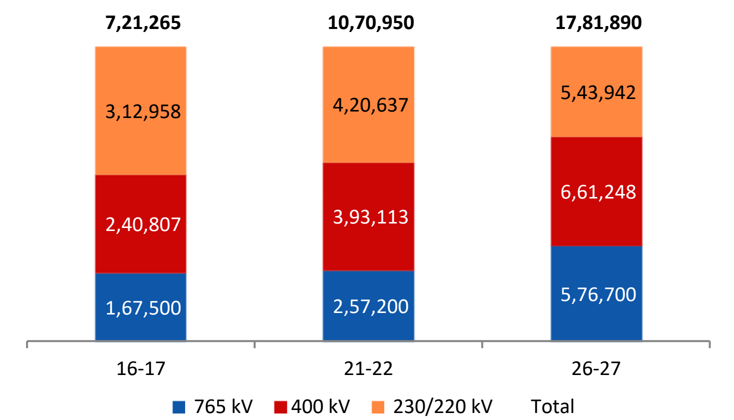
Source: NEP-transmission, Systematix Research

Exhibit 21: Share of 765kV higher in substation capacity addition during FY22-27



Source: NEP-transmission, Systematix Research

Exhibit 22: Substation capacity to touch 1,782GVA by FY27



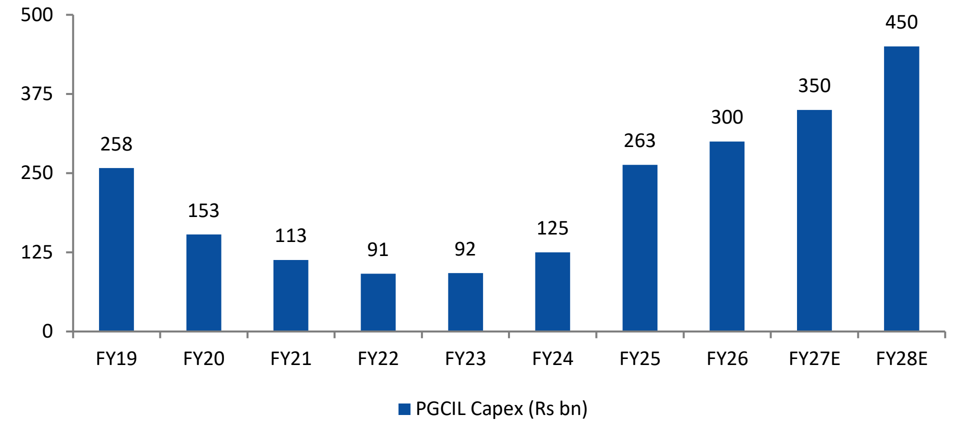
Source: NEP-transmission, Systematix Research

PGCIL and Adani Energy to ramp up transmission capex; increased private capex diversifies source of funds

The increased proportion of tariff based competitive bidding (TBCB) in inter-state transmission projects has enabled private developers to secure a greater share of such projects. This has led to more diversified sources of investments in the transmission sector in India, reducing dependence on a single operator such as PGCIL, which historically accounted for the bulk of capacity additions. Leading private players such as Adani Energy Solutions, Sterlite Power, Apraava Energy, and IndiGrid have now emerged as significant contributors to the transmission infrastructure.

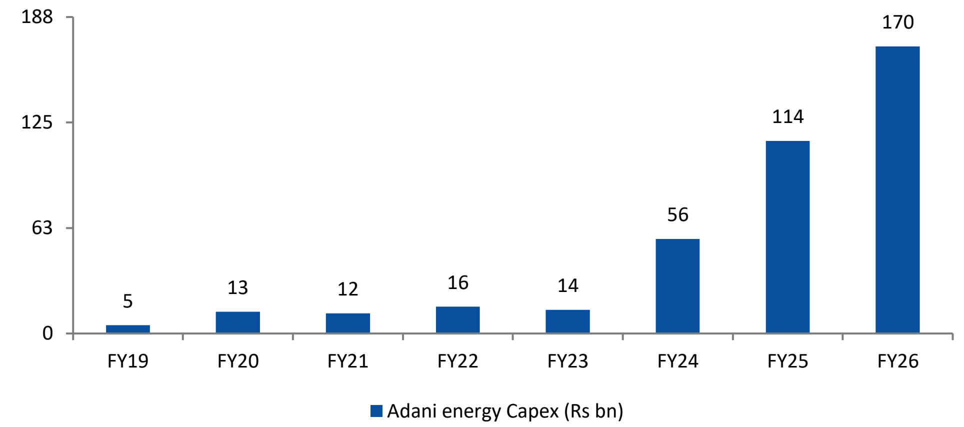
PGCIL's capex is expected to double to Rs 450bn by FY28 over FY25. India's second largest transmission system operator (TSO), Adani Energy, too is scaling up its capex to Rs 170bn in FY26 (+49% YoY).

Exhibit 23: PGCIL - Capex doubled to Rs 450bn by FY28



Source: Company, Systematix Research

Exhibit 24: Adani Energy - Capex to rise by +49% YoY to Rs 170bn in FY26



Source: Company, Systematix Research

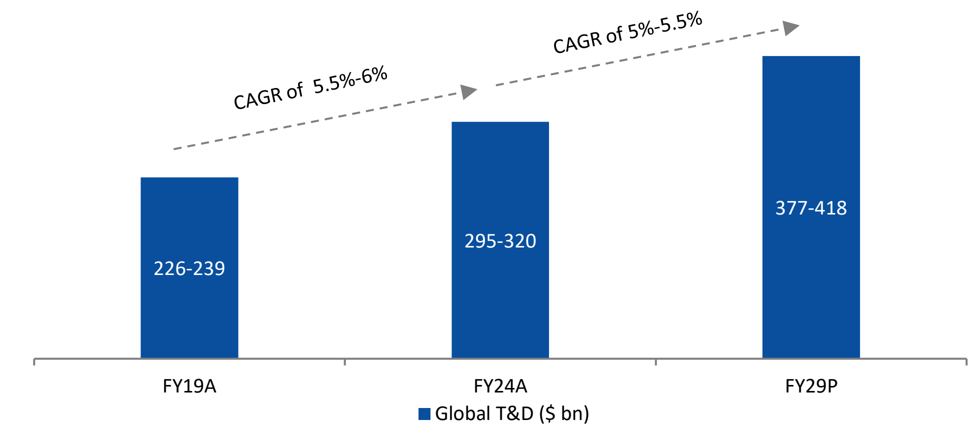
In addition to these two giants, Apraava Energy (Not Listed) too has announced a capex of Rs 120bn for the next three years, with IndiGrid (NOT RATED), focused on transmission and Battery Energy Storage Systems (BESS) projects, expected to deploy around Rs 40bn until mid FY27. This surge reflects an expanding pipeline of large-scale grid modernization and renewable integration projects.

International T&D

The global T&D market is expected to grow at 5-5% CAGR over 2024-2029

The global T&D market is projected to expand at 5%-5.5% CAGR over 2024-2029 to $377bn-$418bn. Key growth drivers in the global T&D landscape include growing investments in renewable energy infrastructure, upgradation of ageing infrastructure, multi-lateral power trade, increasing grid complexity, etc.

Exhibit 25: 5-5.5% growth in global T&D market



Source: Kalpataru QIP doc, Systematix Research

Key growth drivers for international T&D markets

European Union (EU)

EU targets to reduce net greenhouse emissions by at least 55% by 2030 (relative to 1990 levels) to achieve climate neutrality by 2050. It plans to increase wind and solar generation capacity from 400GW in 2022 to 1,000GW by 2030 (including 317GW addition of offshore renewables). According to ENTSO-E's Ten-Year Network Development Plan (TYNDP), cross-border transmission capacity must roughly double within the next seven years, incorporating an additional 23GW by 2025 and 64GW more by 2030. Around 40% of Europe's distribution networks exceed 40 years of age and require comprehensive upgrades. Industry projections indicate €375–425bn in required investments for distribution grid enhancements by 2030, while the European Commission has assessed the total electricity grid investment need at €584bn by 2030.

KPIL has significant presence in the Nordic markets through its wholly owned Swedish subsidiary, Linjemontage (LMG). LMG’s order inflow grew at 35% CAGR over FY21-25, driven by strong wins in the Swedish and Norwegian markets. LMG’s FY25 OB of Rs35bn constitutes 21% of the overall international T&D OB. LMG reported 79% revenue growth in FY25, led by healthy execution of an inflated OB.

Latin America and Caribbean (LAC)

LAC contributed 36% to the international orderbook as of FY25 end, with an EPC orderbook of Rs 62bn. It has largely benefitted from renewable capacity addition projects with several countries in Latin America that involve phasing out coal and nuclear plants and replacing them with renewable energy sources. The region has seen its renewable capacity grow by 51% over 2015-2022. It targets to increase renewable contribution in power generation to 80% from 64% in 2022. KPIL has a wholly owned subsidiary, Fasttel, in Brazil with substantial presence also in other countries such as Chile, Guyana, Suriname through the standalone business.

Africa

KPIL is one of the leading players in Africa T&D market. It has executed T&D projects in Kenya, Egypt, Mauritania, Sierra Leone, etc. The current baseline projections of the African Continental Power Systems Masterplan (CMP) peg the continent's electricity consumption to increase from 878TWh in 2021 to 2,368TWh by 2040. At the continental scale, an estimated USD 1.32trn would be required to achieve the desired growth. KPIL has an integrated presence in Africa, with presence in road EPC, T&D, B&F and solar projects. It has executed three road projects in Africa, a solar project in Sierra Leone and T&D projects across Egypt, Kenya, Senegal, Cameron, Seychelles.

Middle East

The company is currently executing T&D projects in five Middle Eastern countries, and has sizeable presence in the Kuwait, UAE, Saudi Arabia and Qatar T&D markets. With UAE, Oman, Saudi Arabia, Bahrain, Kuwait establishing goals to achieve net zero emissions between 2050 and 2060, investments in clean energy are expected to drive the T&D space. In addition, KPIL's success in the O&G pipeline sector in Saudi Arabia provides it a foothold entry into a large market. It counts Saudi Aramco and ADNOC as its customers and currently executing a large project for Saudi Aramco in Saudi Arabia.

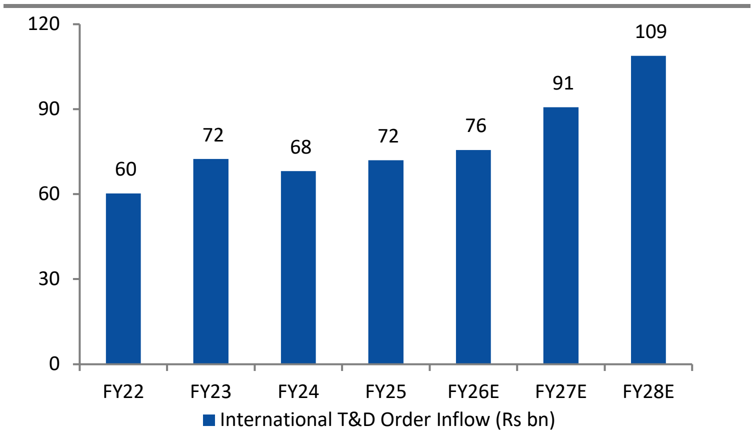
KPIL is a key player in its focus international T&D markets

KPIL has grown its international T&D presence over the years, with projects ongoing in over 30 countries. It has sizeable presence in Nordic, LATAM, Africa and the Middle East, which are its focus international T&D markets. As at FY25 end, the company had an international T&D order book of Rs 172bn (Linjemontage contributes ~21%); its OI from the international T&D business (including subsidiaries LMG and Fasttel) grew at a healthy 16% CAGR over FY22-25, with OI stabilizing at ~Rs70bn in each of the last three years.

International T&D order inflow to expand at 15% CAGR

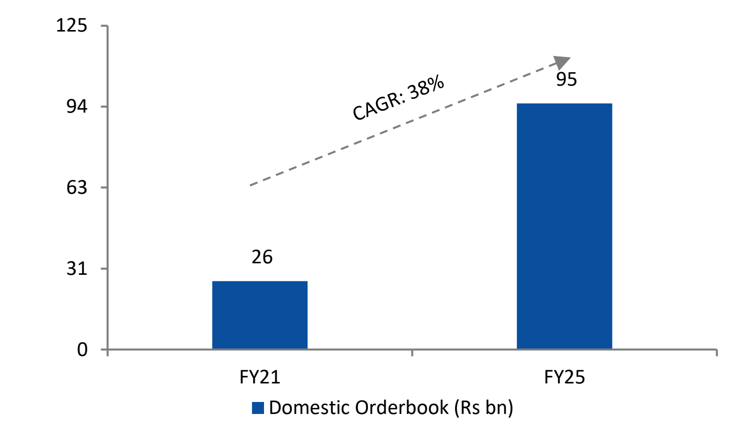
Renewable capacity addition targets (Latam & Caribbean), modernization of older grids and augmentation of T&D infrastructure in under-penetrated regions (like in Africa) are key drivers of Kalpataru's business in its focus geographies. The company's Swedish subsidiary Linjemontage has seen its order inflow surge 5x over FY21-25 driven by strong demand in Swedish and Norwegian markets. As a result, its orderbook has jumped 3.5x over FY21-25 translating into strong revenue growth. The EPC orderbook from Latam and Caribbean stands at a substantial Rs62bn where significant addition in renewable power is driving T&D investments.

Exhibit 26: International T&D - 15% CAGR in OI over FY25-28E



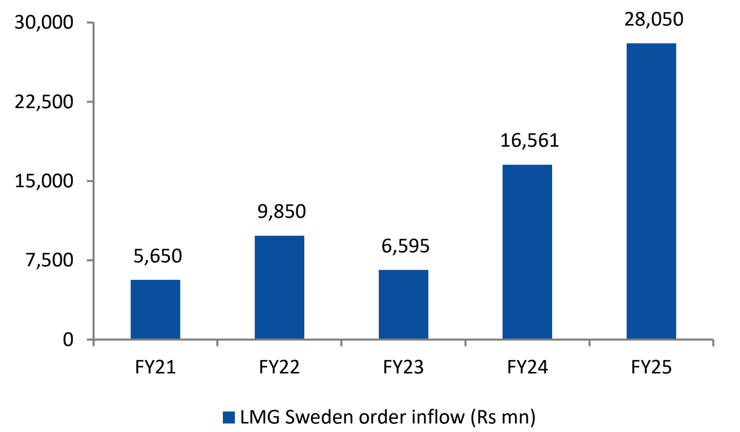
Source: Company, Systematix Research

Exhibit 27: OB surged at 38% CAGR over FY21-25



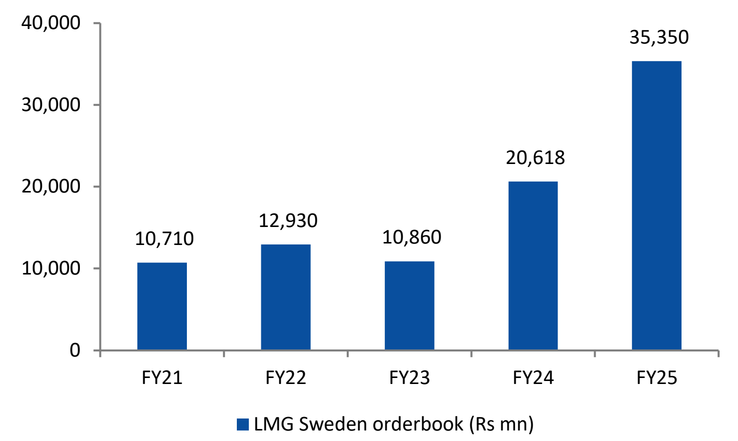
Source: Company, Systematix Research

Exhibit 28: LMG OI surged ~5x over FY21-25



Source: Company, Systematix Research

Exhibit 29: LMG OB expanded ~3.5x over FY21-25

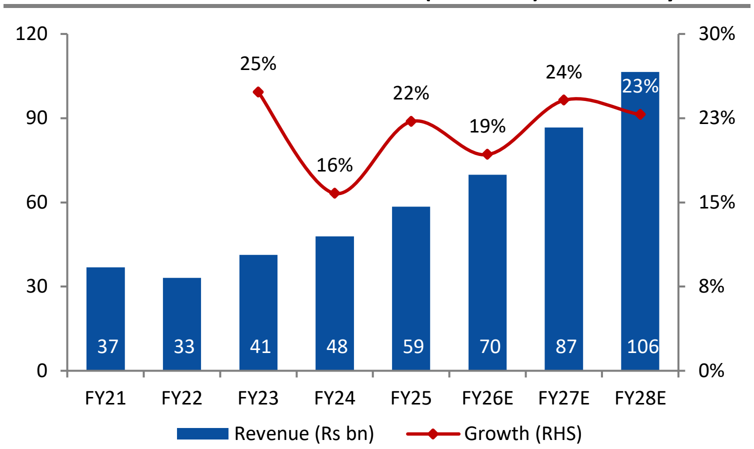


Source: Company, Systematix Research

Strong capex cycle propels growth in B&F, with notable global order wins

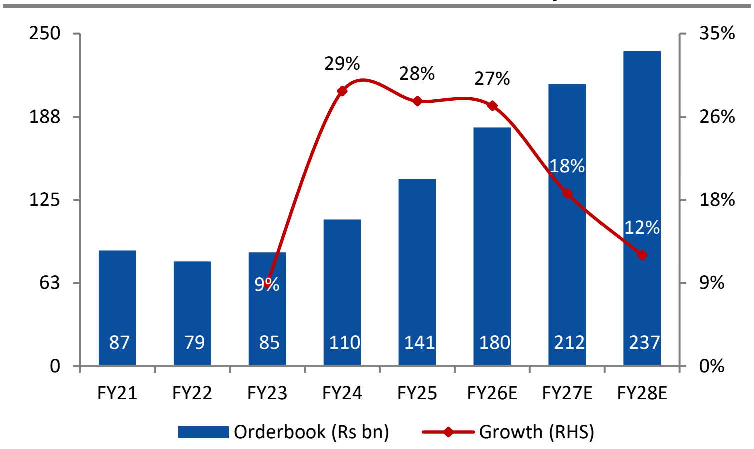
KPIL is one of the three large building EPC players that has executed single projects of more than 10mn sq. ft. The company focusses on large building projects spread across its existing portfolio of residential, commercial, industrial, hospitality and healthcare segments. It is making significant inroads into newer airport and data center segments. Its Buildings & Factories (B&F) business has been a key driver of both revenue and profitability, with revenue contributing 25-30% over the past 5 years on consolidated basis. The company has been focusing on large private clients (more than 95% OB is private) in India's southern markets of Bangalore, Hyderabad, Chennai, Vijaywada, etc., with Prestige, Purvankara, DLF, Godrej, Embassy, etc., as its key customers. Its recent foray into the NCR and MMR regions and a large win in the NCR region should support revenue growth ahead. We have built in 21% revenue CAGR for the B&F business over FY25-28E.

Exhibit 30: 21% revenue CAGR in B&F (FY25-28E) to be led by …



Source: Company, Systematix Research

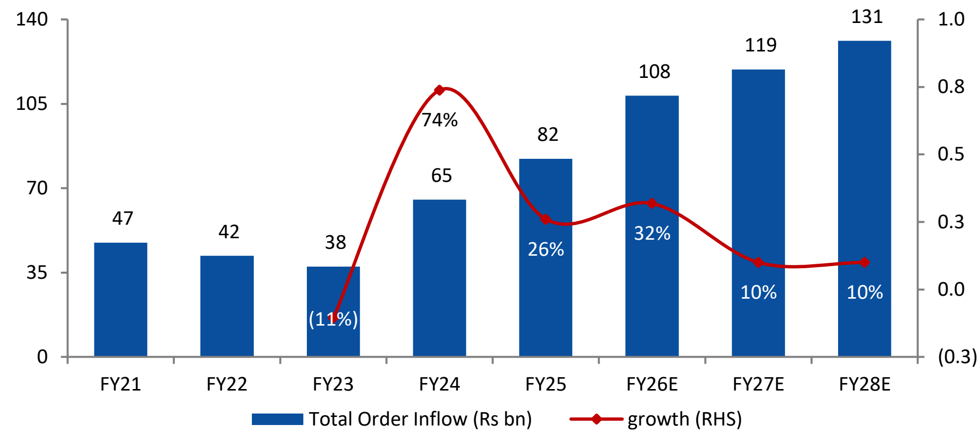
Exhibit 31: … Rs 141bn and track record of healthy execution



Source: Company, Systematix Research

The B&F business has seen strong OIs in FY24 and FY25, with the same more than doubling over FY23-25. 1HFY26 OI of Rs80.9bn (+78% YoY) was robust, as the company bagged a large order in the NCR region. We expect OI to be supported by its existing strong business in the southern markets, wins in new NCR and MMR regions and growing airport and data center segments. We estimate 17% CAGR in OI for the B&F segment over FY25-28E.

Exhibit 32: B&F OI order inflow to expand at 15% CAGR over FY25-28E

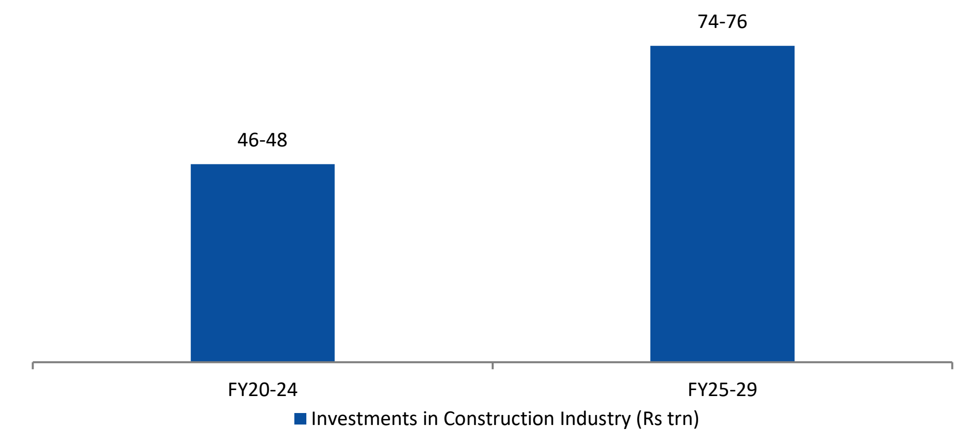


Source: Company, Systematix Research

B&F construction market in India

India's construction industry accounts for 9% of GDP and witnessed Rs 46-48trn worth of investments during FY20-24. Investments in this industry are slated to rise further to Rs 74-76trn over FY25-29 (Source: Kalpataru QIP document). The construction market can be divided into building construction, industrial construction and data centers.

Exhibit 33: Investments in domestic construction Industry expected to rise sharply

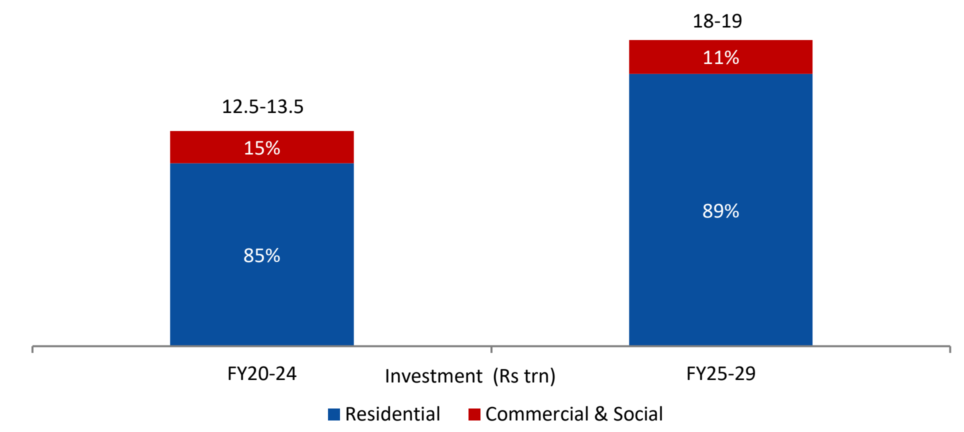


Source: Kalpataru QIP doc, Systematix Research

Investments in building construction industry to surge 1.4x during FY25-29E

Building construction includes buildings used for residential purposes such as houses, residential towers, as well as institution and healthcare buildings such as hospitals and educational institutions. The building construction sector is expected to see investments of Rs 18trn-Rs 19trn over FY25-29 from Rs 12.5trn-Rs 13.5trn during FY20-24, growing by 1.4x.

Exhibit 34: Investments in buildings

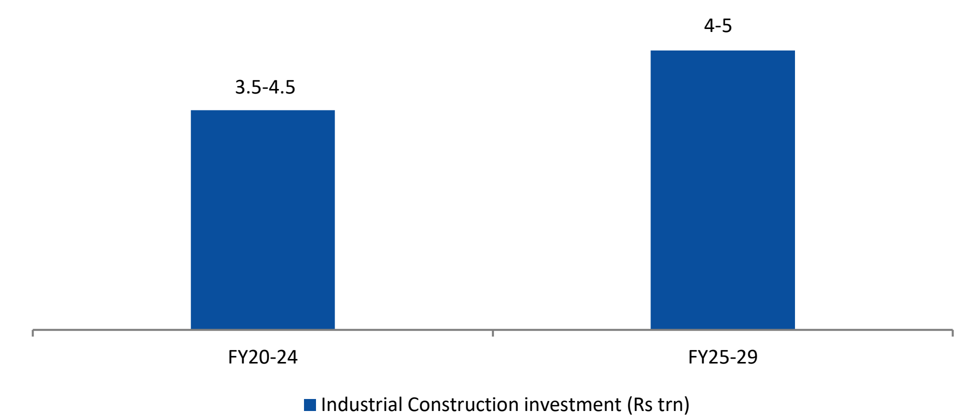


Source: Kalpataru QIP doc, Systematix Research

Industrial investments to rise 1.2x during FY25-29 (over FY20-24)

Industrial construction includes construction of manufacturing plants, factories, power plants, and other facilities. Investments in the industrial segments stem mainly from capex activities undertaken by companies either in the form of greenfield projects or brownfield capacity additions. According to CRISIL MI&A, construction investments in the industrial sector are expected to touch Rs 4-5trn during FY25-29, compared with Rs 3-4trn over FY20-24, driven by PLI scheme.

Exhibit 35: Investments in industrial construction

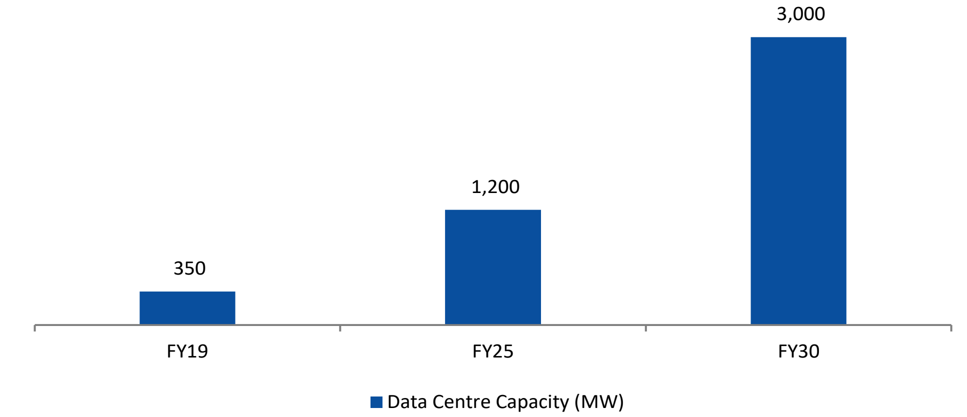


Source: Kalpataru QIP doc, Systematix Research

KPIL's successful foray into key data center and airport segments

Over the last few years, KPIL has successfully bagged orders in airports and data centers, which have opened avenues for repeat orders from high growth segments, especially data centers (3-4GW capacity addition expected over FY25-30). The company has completed two data center orders and has recently bagged its third order, thereby expanding its position in a key growth area. The company targets mostly edge data centers and therefore, large AI data center investments announced by Google and Digital Connexion do not constitute a part of the addressable market for KPIL as of now. The company has successfully handed over Ahmedabad airport (Sardar Vallabhai Patel airport) and a heliport at Amby Valley, Lonavala. It further bagged Maldives' Hanimaadhoo International Airport Development Project in FY22. With significant domestic demand, the company has been selective in taking international orders.

Exhibit 36: Data center capacity to surge at 20% CAGR over FY25-30E



Source: Company, Systematix Research

A key EPC player in the domestic water segment

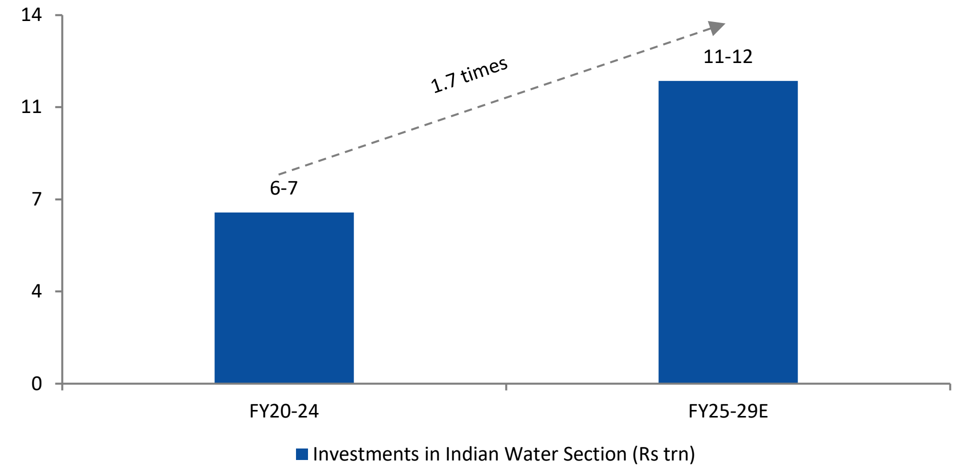
KPIL, a key player in the domestic water supply and irrigation EPC industry garnered ~Rs 200bn of cumulative order inflow during FY20-25, of which, a substantial contribution came from the Jal Jeevan Mission (JJM). The company has expertise in various water infrastructure projects, such as development of water networks, storage, construction of water treatment facilities, irrigation systems, and water linkage projects. Several national initiatives are driving growth in the sector. The aim of JJM is to provide safe and adequate drinking water to all rural households through tap connections by 2024. Programs such as the Atal Mission for Rejuvenation and Urban Transformation (AMRUT), the National Mission for Clean Ganga (NMCG) and various Community Drinking Water Schemes are further strengthening India's water and wastewater treatment infrastructure.

The **irrigation** sector too saw investments of Rs 3.5-4.5trn during FY20-24, with central government focus on schemes such as Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), accelerated irrigation benefits program (AIBP) and command area development and water management (CAD&WM) program. The irrigation sector is expected to see investments of Rs 5-6trn over FY25-29 (1.7x that of FY20-24).

Water supply and sanitation is another segment that is driven by government schemes such as Swachh Bharat Mission (SBM), JJM, National Mission for Clean Ganga. The AMRUT scheme focusses on developing water supply and sanitation facilities in urban regions.

The total investment in water (irrigation and water supply combined) is estimated to expand to Rs 11-12trn over FY25-29 from Rs6-7trn over FY20-24, underpinned by government schemes like JJM, SBM, AMRUT and NMCG.

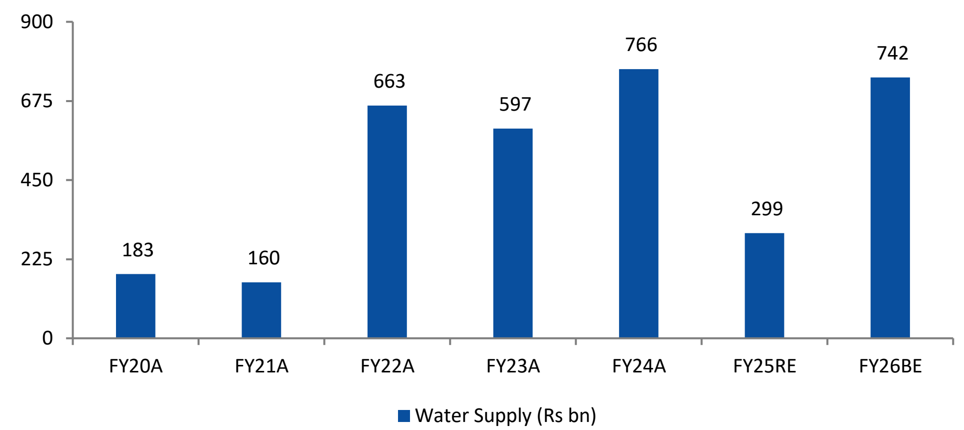
Exhibit 37: Total investments in domestic water segment (irrigation + water supply)



Source: Kalpataru QIP doc

Out of the budgeted Rs 742bn water supply capex for FY26, a significant portion of Rs 670bn is dedicated to JJM, which aims to provide tap water connections to all rural households, thereby fueling growth in the sector.

Exhibit 38: Budgeted expense for water supply to rise in FY26; FY25 saw steep decline

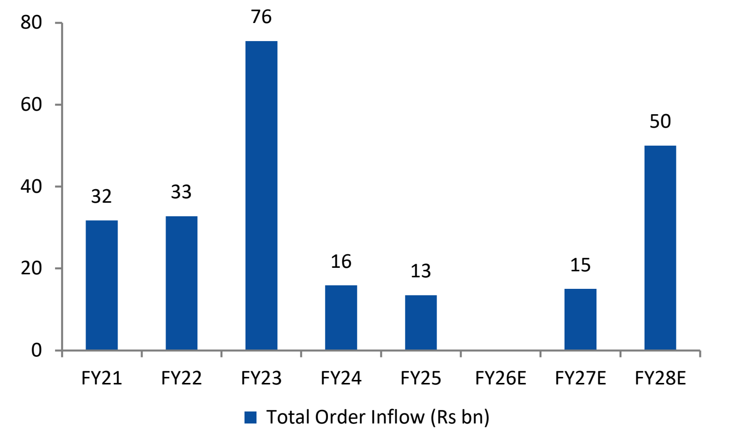


Source: Union Budget

Weak collections pertaining to JJM a drag on the water segment

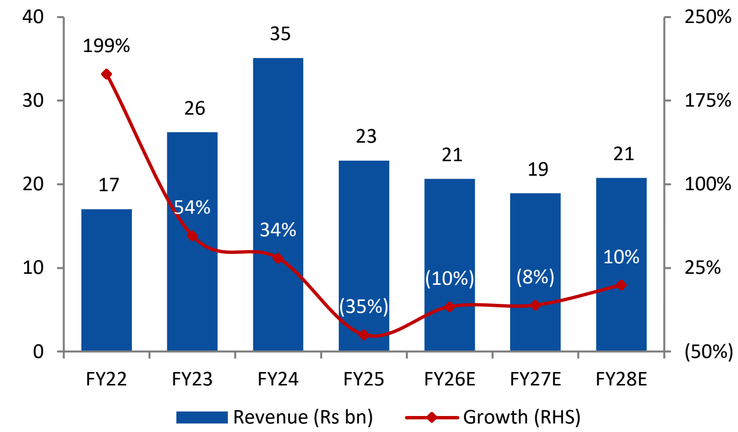
KPIL's ~Rs200bn cumulative order inflow over FY20-25 was largely driven by JJM-linked water projects. At 2QFY26 end, the segment carried ~Rs15bn of receivables, primarily from JJM, which slowed both execution and order booking in the water business. While the water segment saw a sharp surge in OI of cumulative Rs140bn over FY21-23 (driven by key wins in the JJM scheme), inflows moderated to Rs 29.4bn during FY24-25. This led to slower execution, resulting in revenue falling by 35% in FY25 to Rs 22.8bn. The water business now sits on a sizable but lower of Rs 83.8bn (-20% YoY) as of end 2QFY26. Revenue increased by more than 6x increase over FY21-24 on account of huge order inflows (FY21-23). The revenue is expected to be stable at around Rs79.6bn (FY25-28) on account of a robust orderbook of 95.7bn in FY25 with a significant slowdown in growth.

Exhibit 39: Order inflow to stay moderate…



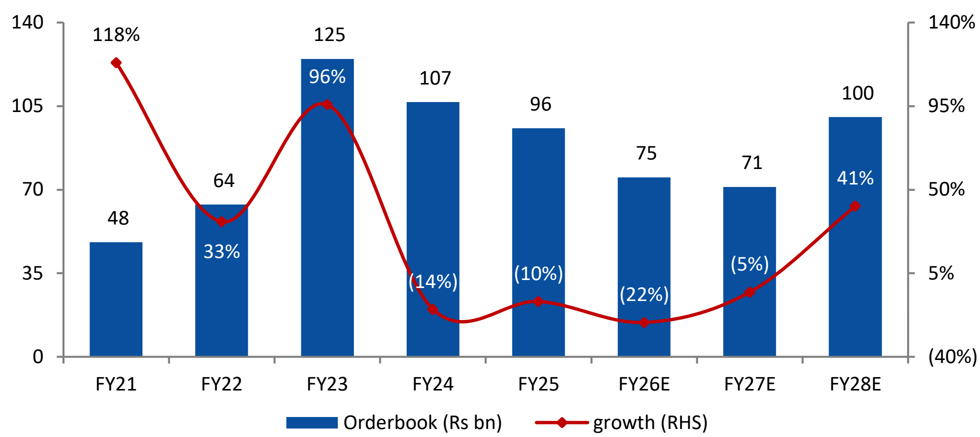
Source: Company, Systematix Research

Exhibit 40: …with a healthy OB driving revenues



Source: Company, Systematix Research

Exhibit 41: OB provides revenue visibility for ~4 years at the current revenue run rate

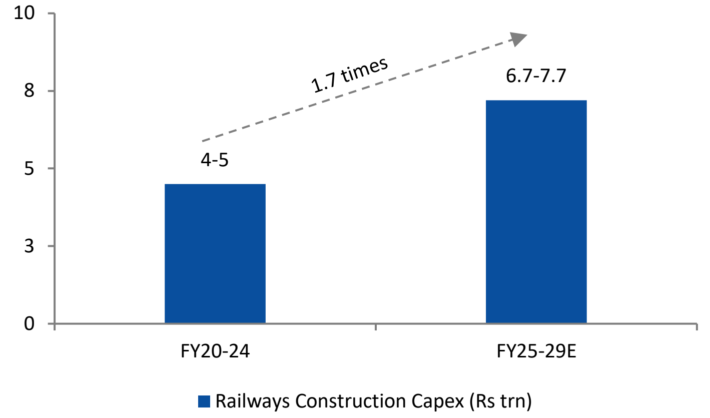


Source: Company, Systematix Research

Construction spends in the railway sector

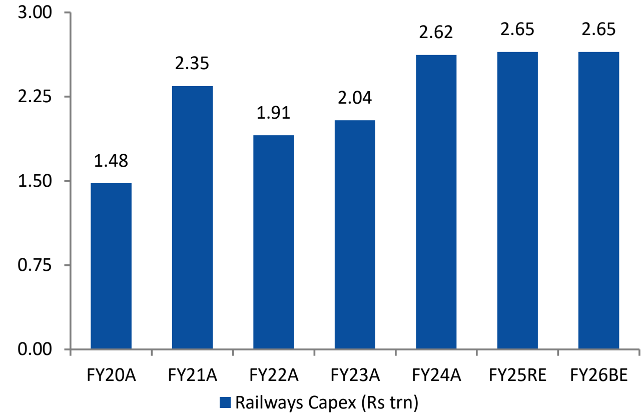
Railway construction capex is set to rise by 1.7x to Rs 6.7trn-Rs 7.7trn over FY25–29E versus Rs 4-5trn during FY20–24. Higher budgetary allocation, progress on the Mumbai-Ahmedabad bullet train, completion of the freight corridor and accelerating station redevelopment would drive this growth. Union Budget FY25 has earmarked a record amount of Rs 2.6trn that is expected to support the rollout of 400 Vande Bharat trains and 100 PM Gati Shakti cargo terminals.

Exhibit 42: 70% surge in construction spend during FY25-29E



Source: Union Budget

Exhibit 43: FY26BE Railway capex at Rs 2.65trn



Source: Union Budget FY25

KPIL undertakes railway projects that involve overhead electrification, traction substations, track laying, earthwork, bridges, buildings, stations, workshops, signaling & telecommunications and 3rd rail DC system. The company is enhancing its competencies and expanding its offerings to emerging areas such as high-speed trains, dedicated rail corridors, rapid rail transport systems and to newer geographies in the international markets. It faces severe competition in the railway segment with significant competition from road EPC players. With an OB of Rs 33.83bn (-15% YoY), revenue is expected to decline over the next two years and contribute 3-5% to overall revenue over FY26-28.

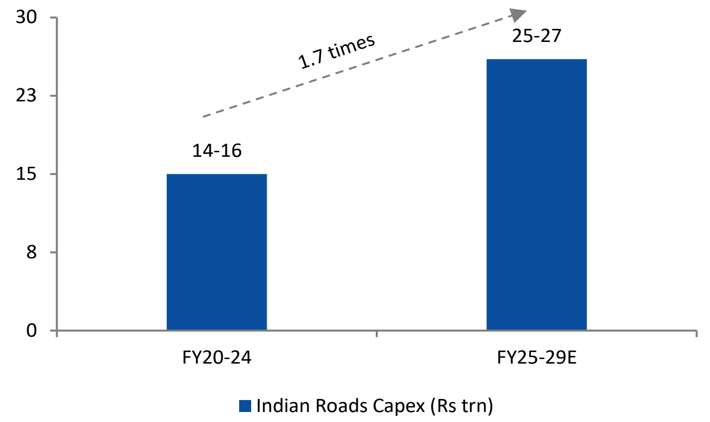
Significant successes in new segments of civil infrastructure and Oil & Gas

KPIL has expanded its international business substantially through a mix of organic and inorganic growth strategies in last five years. While it acquired the Swedish (LMG) and Brazil (Fasttel) subsidiaries to make inroads into Nordic and Brazilian power T&D markets, the company has bagged several large international orders, including an international airport and a housing project in Maldives, a gas pipeline project in Saudi Arabia, water pipeline projects in Asia and road projects in Africa. In FY24, the company made a significant international break through when it bagged a large order pertaining to the O&G segment from Saudi Aramco (possibly >Rs 60bn). This portends a significant opportunity, as he Middle East is looking to scale investments in gas infrastructure, in line with their emission reduction targets.

KPIL is one of the leading companies that provides EPC services for multi-disciplinary urban infrastructure projects. It has the capability to undertake design and construction in various infrastructure sectors, including elevated metro, elevated corridors, flyovers, special bridges, tunnels (for metro rail, railways, and roadways), highways, and airports for multi-lateral funded projects.

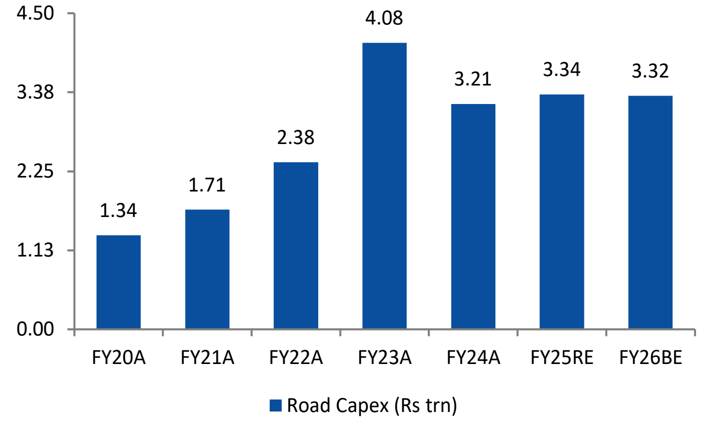
Investments in the Indian road segment is set to rise by nearly 1.7x during FY25-29 compared to FY20-24, primarily driven by government initiatives like Bharatmala Pariyojana (aimed at enhancing connectivity and boosting economic development through extensive road development). Its goal is to cover a length of 34,800 kms across the country. As of March 2025, 26,425 kms of projects were awarded, of which only 19,826 km have been constructed.

Exhibit 44: Road capex to rise 1.7x over FY25-29E during FY20-24



Source: Kalpataru QIP doc

Exhibit 45: Road capex has stabilized at ~Rs 3.3trn

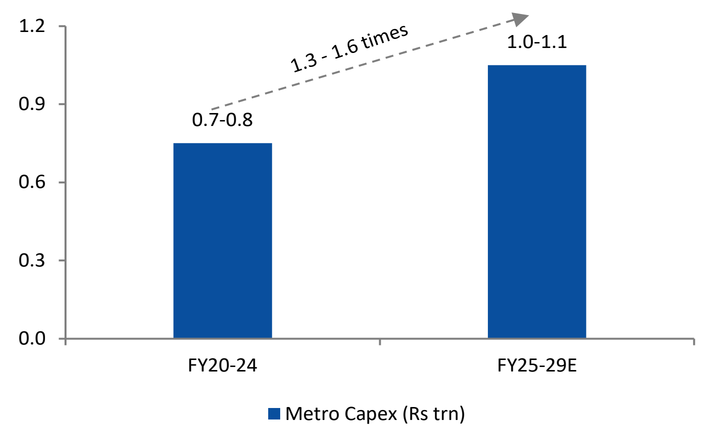


Source: Union budget FY25

Metro construction projects may see investments of Rs 1trn-Rs 1.1trn over FY25-29

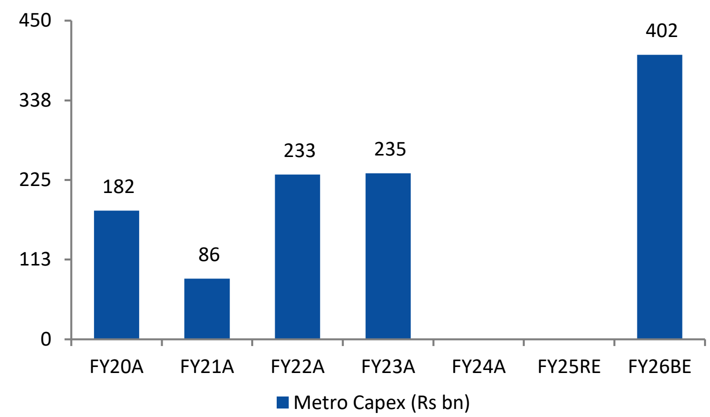
Urban metro projects now represent the second-largest share of India's infrastructure investment. The approved 1,032 km metro rail network intends to extend metro systems to 27 cities. Smaller cities are also developing lighter urban rail systems like Metrolite and Metro Neo (low-cost mobility solutions with reduced system requirements with similar experience). India plans to expand its metro network from 1,013 kms currently to 1,985 kms over the next 3-5 years at an investment of Rs 1-1.1trn.

Exhibit 46: Metro investment of Rs 1trn-Rs 1.1trn over FY25-29



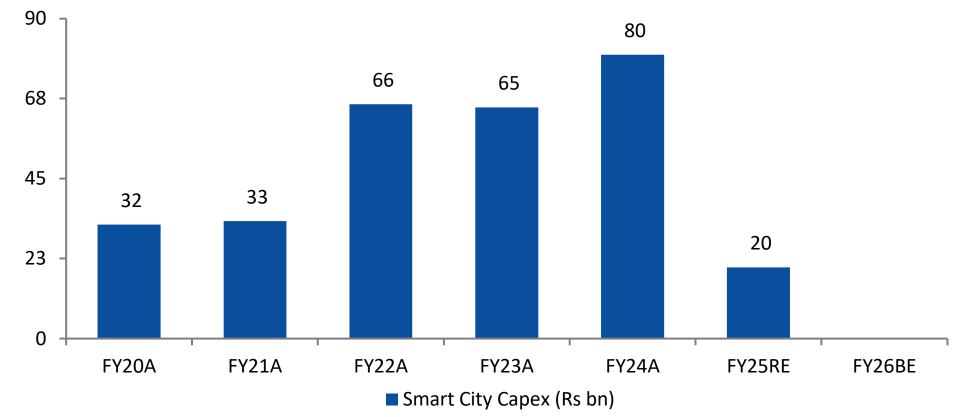
Source: Kalpataru QIP doc, Systematix Research

Exhibit 47: FY26BE metro capex rises to Rs 402bn after a 2-year gap



Source: Union budget FY25

Exhibit 48: Sharp fall in smart city capex during FY25RE and FY26BE

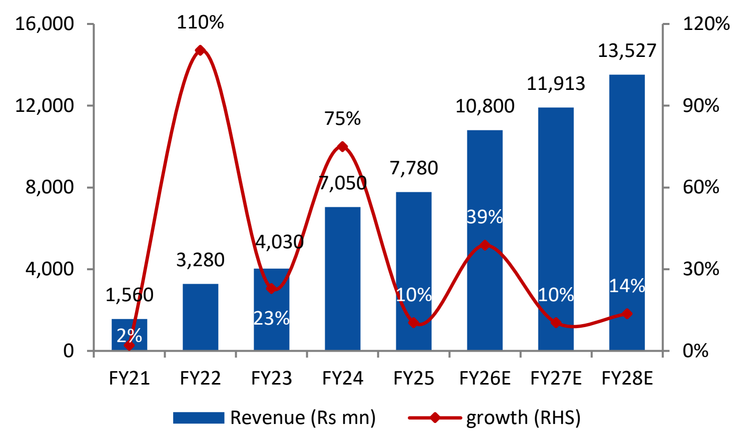


Source: Union budget FY25

Healthy orderbook to drive urban infra revenue

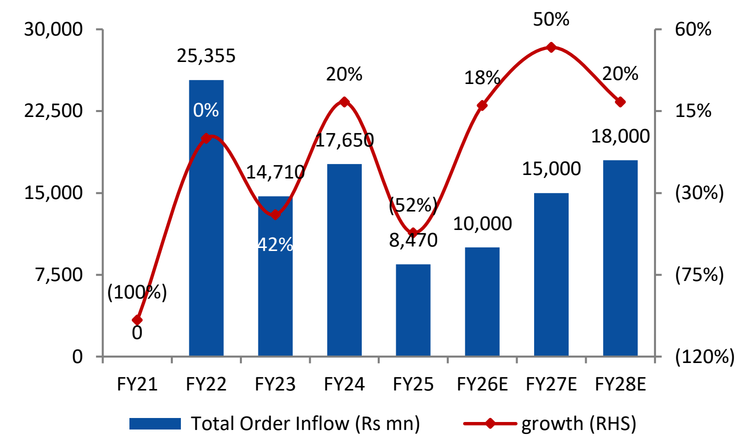
We estimate 16% CAGR in urban infrastructure revenue, assuming steady OI run-rate over FY26-28, with no large orders. Any large orders in urban infrastructure could pose an upside risk to revenues in the segment. KPIL recorded an OB of Rs 30.7bn in the urban infrastructure segment during FY26, with execution having significantly picked up in 1HFY26 to generate revenue of Rs 5.4bn (+53% YoY).

Exhibit 49: Revenue picks up starting FY26, led by strong execution



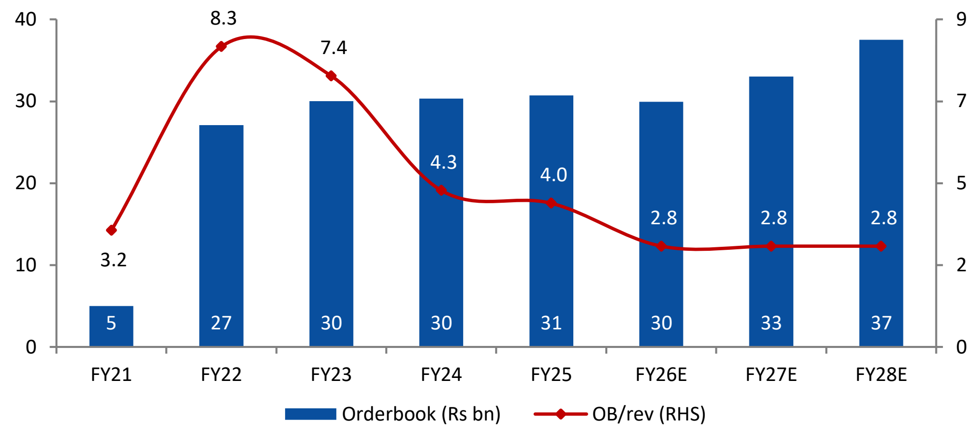
Source: Company, Systematix Research

Exhibit 50: Modest OI of Rs 10-14bn per annum over FY26-28E



Source: Company, Systematix Research

Exhibit 51: OB flat at ~Rs 30bn over FY23-25



Source: Company, Systematix Research

Oil & Gas among the fastest-growing vertical

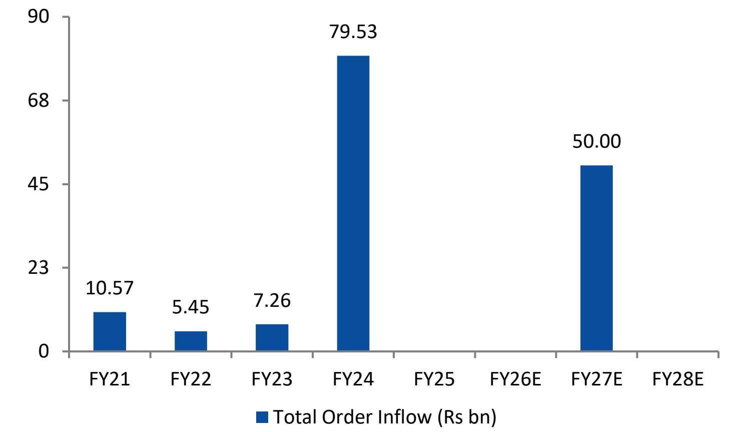
KPIL undertakes EPC contracting for cross-country pipelines, LPG import and handling terminals, process plants, and gas gathering and compressor stations in the O&G sectors worldwide KPIL secured a significant order for a gas pipeline in the Middle East during FY24, which reflects its strong capabilities in the O&G sector. KPIL's O&G segment is one of its fastest-growing verticals, driven by strong execution of its large EPC pipeline project in Saudi Arabia.

Globally, 228,700 kms of gas transmission pipelines valued at USD 723bn are under development. Of these, 69,700 kms are being constructed at an outlay of USD 193.9bn, an 18% increase in construction activity compared to that seen as at end 2022, indicating a robust project pipeline. The global demand for gas transmission pipelines is expected to drive growth in the sector, with the total length of global O&G trunk pipelines projected to increase by >5% by 2027 from 2.15mn kms in 2023.

Saudi Arabia EPC pipeline win anchors FY24 order inflows

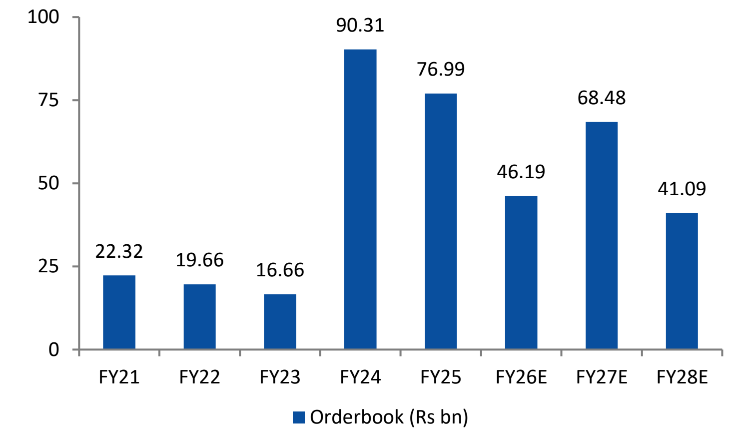
KPIL signed three contracts with Saudi Aramco for the MGS-3 gas pipeline project in Saudi Arabia, worth about SAR 3.4bn (Rs 75.50bn). This marks a step change from earlier years, when O&G was a small contributor, which implies that most of the current O&G revenue growth is backed by a sizable, multi-year international order pipeline, giving the segment long term visibility.

Exhibit 52: Breakthrough in ME market with large order in FY24



Source: Company, Systematix Research

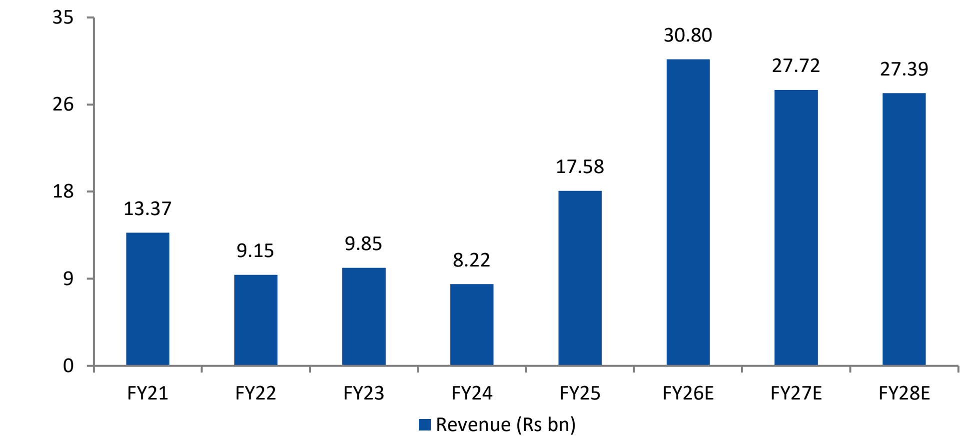
Exhibit 53: Orderbook of Rs 76.9bn as at FY25 end



Source: Company, Systematix Research

O&G revenue more than doubled from Rs8.22bn in FY24 to Rs 17.58bn **in** FY25 (up 114% YoY); O&G now contributes a meaningful share of the consolidated portfolio, supported by a record order book of Rs77bn (~12% of KPIL's total order book). This growth is attributable to execution on the large Saudi project which the company bagged in FY24.

Exhibit 54: 16% revenue CAGR over FY25-28E



Source: Company, Systematix Research

Working capital management, sale of non-core assets and water receivables - Key to RoCE improvement

KPIL's consolidated net working capital (NWC) averaged ~118 days over FY20-25, with FY25 NWC at 126 days, led by increased receivables. Of the ~Rs 78.2bn of receivables as at end FY25 (Rs72.2bn as at 2Q end), Rs15bn of the receivables pertained to the JJM projects under the water segment. The company is targeting <100 days of receivables for the standalone entity and <90 days for the consolidated one by FY26, without factoring in the substantial collection from JJM. The company pivoted to a low gearing capital structure in FY25 through its QIP of Rs 10bn. Thus, net debt stands reduced at Rs 24bn (-19% YoY) as at FY25 end. The company recorded pre-tax RoCE of 10-16% in last six years, with FY25 RoCE at 12.9%.

Non-core asset divestment could improve balance sheet strength and profitability

KPIL's non-core asset investments are a considerable drag on the company. It has three road BOOT assets on its books, a loss-making logistics subsidiary, Shree Shubham Logistics and Saicharan, a real estate asset in Indore. KPIL has reduced funding support to its BOOT projects, which were valued at Rs200mn during 1HFY26.

Vindhyachal Expressway (VEPL) transaction expected by March 2026

KPIL signed a definitive agreement with Actis to sell 100% stake in Vindhyachal Expressway, at an enterprise value of Rs 7.75bn in October 2024. It expects cash inflows of ~Rs 5bn from this transaction. VEPL operates a 4-lane project stretch starting from outskirts of Rewa till the MP/UP border in Madhya Pradesh (MP), having a length of 89.4 km, under the build, operate and transfer (BOT) mode. A concession of 30 years (including construction period) was awarded on 25 January 2012 and toll collections started on 15 February 2015, with the 30-year concession scheduled to end on 19 February 2043.

Wainganga Expressway terminated and handed over to NHAI

KPIL handed over the Wainganga Road Boot Asset to NHAI with effect from 30 September 2025. The company does not expect to recover the dues in the near term because of certain arbitration and claim settlements involved and its earlier experience with the NHAI process. The company also does not expect to receive a large amount in this case and sees less possibility of an equity hit.

Shree Shubham Logistics and Saicharan Indore Real Estate

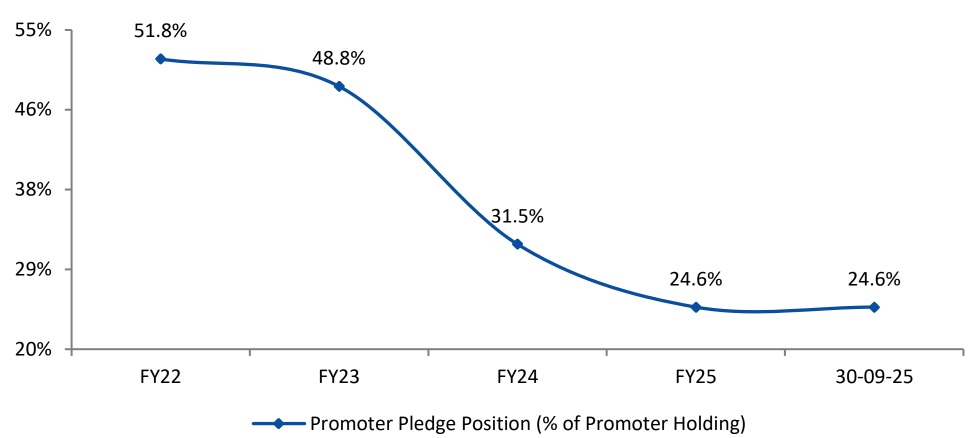
Shree Shubham Logistics has been reeling under continued losses at the PAT level. The company has managed to reduce external debt to Rs 900mn and targets to bring this down further to Rs 400-500mn by the end of FY26. Management intends to sell some warehouses to pare debt and is looking to become debt free by next year. The company expects to realize Rs 750mn from the complete sale of its Indore real estate property, Saicharan, by FY26 end (completely move it out from KPIL's books).

VEPL sale and normalization in water receivables to spur RoCE levels significantly

Realization of ~Rs 5bn VEPL sale and expected normalization in elongated receivables pertaining to the JJM scheme would drive KPIL's RoCE significantly. The company reported pre-tax RoCE of 12.9% in FY25. We pencil 240bps RoCE improvement over FY25-28E to ~15.3% in FY28E.

Promoter pledge details

Exhibit 55: Promoter pledge has decreased substantially over the last 3 years



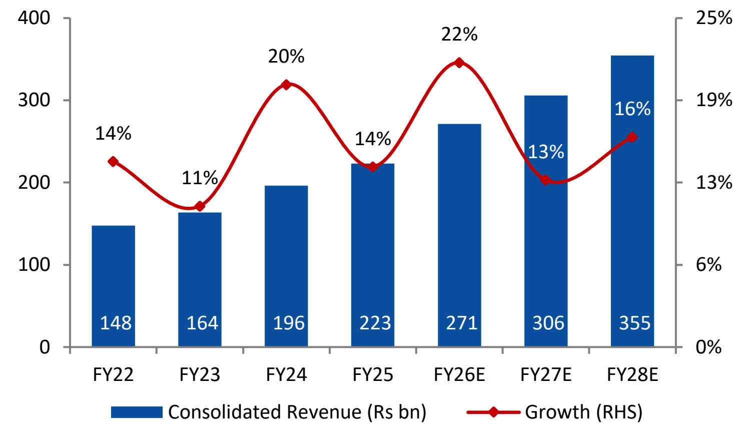
Source: Company, Systematix Research

Financial outlook

17% revenue CAGR over FY25-28

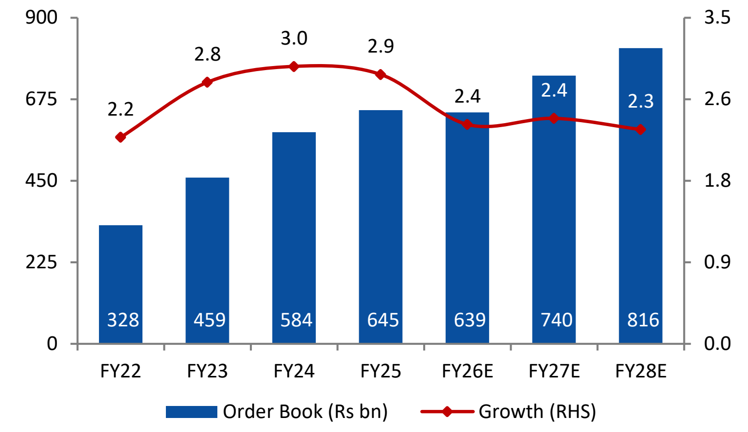
KPIL reported Rs 223.2bn revenue during FY25 on consolidated basis, which expanded at 13% CAGR over FY19-25, with the CAGR in OB higher at 18%. We expect revenue growth to track OB growth, as OI likely remains strong, particularly in the T&D and B&F segments. Even though 1HFY26 OI in T&D has slipped by 27% YoY, significant tailwinds exist across the domestic and international businesses that should support OI growth in future.

Exhibit 56: 17% revenue CAGR over FY25-28E…



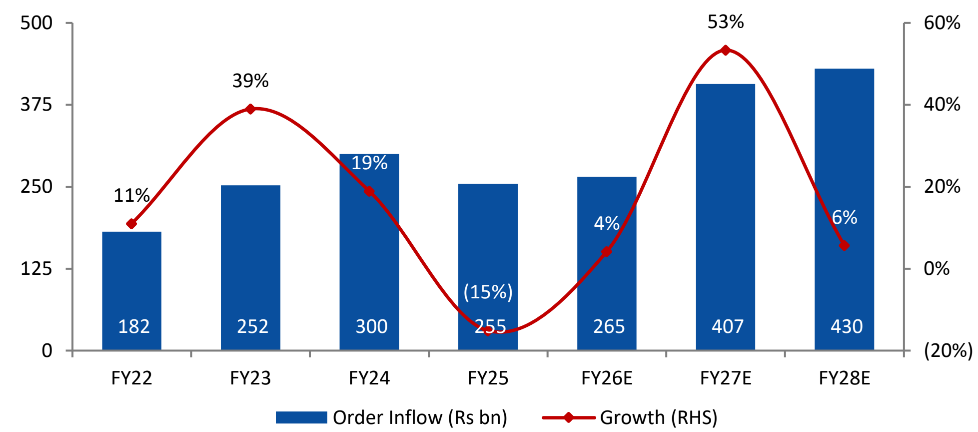
Source: Company, Systematix Research

Exhibit 57: …driven by robust OB/revenue ratio



Source: Company, Systematix Research

Exhibit 58: 19% CAGR in order inflow over FY25-28E

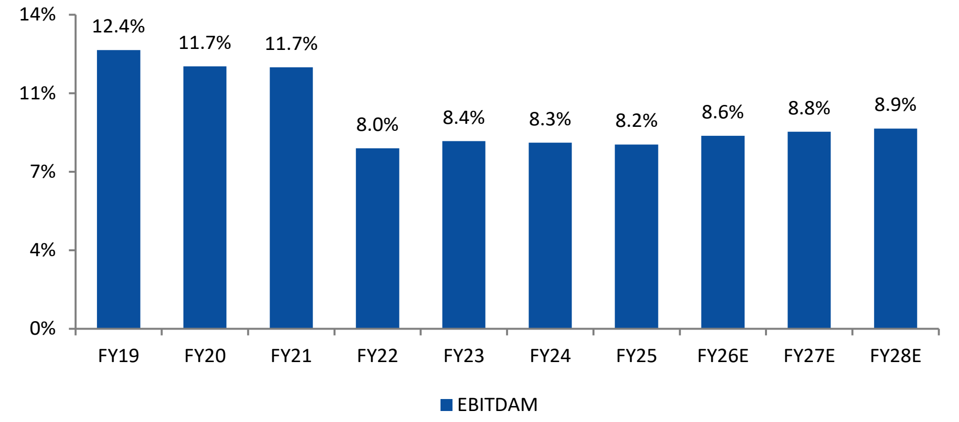


Source: Company, Systematix Research

Better margins in water and scale benefits in T&D to slightly spur EBITDA margin

We are building gradual recovery in EBITDA margin (70bps over 3 years) from 8.2% in FY25 to 8.9% in FY28E. Slowed execution led to the drag in the water segment during FY25 (fell from double digits earlier). T&D and B&F continue to enjoy scale benefits and have seen steady margin performance with double-digit margins.

Exhibit 59: EBITDA Margin trend

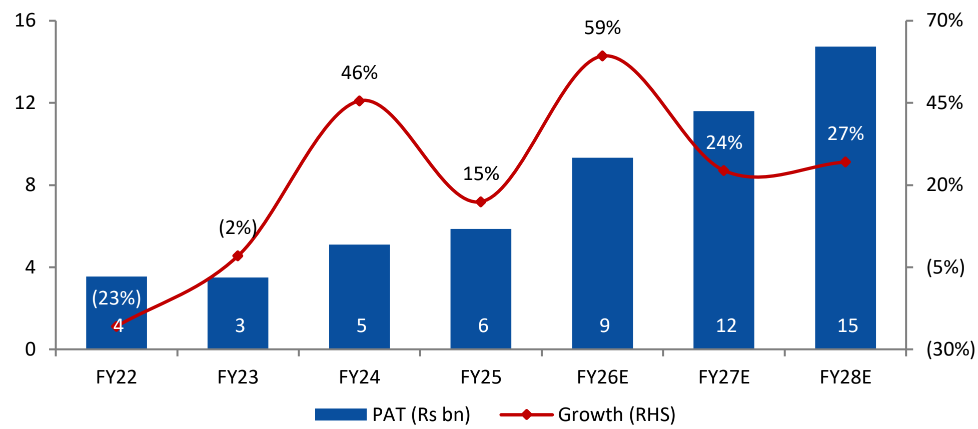


Source: Company, Systematix Research

Operational performance and interest cost to drive 36% PAT CAGR over FY25-28E

KPIL reduced its net debt from ~Rs30bn in FY24 to Rs 24bn in FY25, aided by its Rs 10bn QIP in FY25. The company has maintained interest at less than 2% of revenue. We estimate 36% PAT CAGR over FY25-28E, with a PAT/EPS of Rs14.7bn/Rs86.2 in FY28E.

Exhibit 60: PAT growth expected to remain robust (36% CAGR over FY25-28)



Source: Company, Systematix Research

Valuation & View

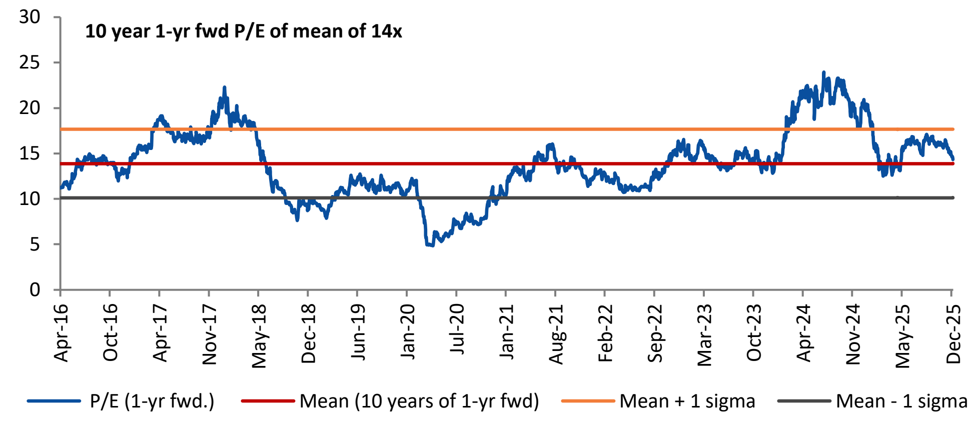
KPIL holds pole position in India's T&D EPC industry with significant presence across buildings & factories, water, oil & gas, railways and urban infrastructure segments. The company has substantial presence in international geographies (~41% of order book) with LATAM, Middle East, Southeast Asia as Europe as major contributors. The company is expanding its international presence in the high potential markets of the T&D and O&G segments. Its domestic expansion focus lies in the metro, urban infrastructure and high-value industrial and institutional projects. We have built in revenue/PAT CAGR of 17%/36% over FY25-28 to factor in the ~70bps EBITDA margin expansion over three years. We expect post-tax RoCE to improve from 10.7% in FY25 to 14.2% in FY28E. Initiate with a BUY and target price of Rs1,380, based on 16x FY28E EPS.

Exhibit 61: Valuation table

Valuation	
Mcap	2,03,013
CMP	1,189
Shares outstanding	171
Trading at FY28 P/E (x)	**14**
Target multiple	16
Target price	**1,381**
Upside	16%

Source: Systematix Research

Exhibit 62: 10-year 1-Yr forward P/E mean of ~14x



Source: Bloomberg, Systematix Research

Key risks

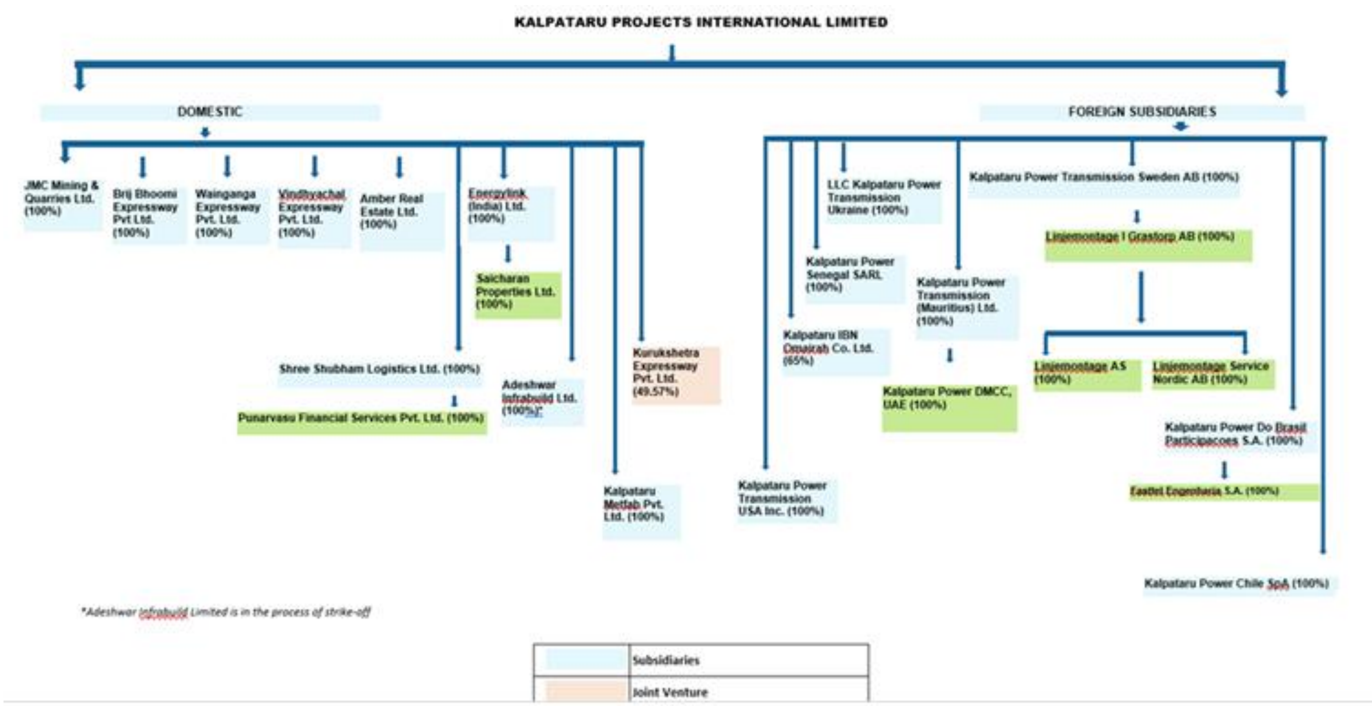
- **Domestic labor availability:** Domestic labor availability remains the most material execution risk across T&D, B&F, and other segments, exacerbated by movement challenges and elections. This risks execution delays and cost overruns.
- **International order execution risks:** Nearly 37% of KPIL's international OB (across 75 countries, including volatile regions like Latin America and the Middle East) faces geopolitical tensions, forex volatility (e.g., USD/INR fluctuations) and subsidiary performance risks (Linjemontage/Fasttel growth dependent on fluctuations in the European/Brazilian markets). Delays or cancellations could erode margins, amplifying forex losses on export revenue.

- **Commodity price risk:** Although 90% of aluminum exposure is hedged, KPIL still holds 50% of the OB under fixed-price contracts, where cost inflation risk persists. Sharp commodity price spikes could pressure margins, if hedges lapse or execution timelines stretch.
- **Working capital stress driven by water (JJM) receivables:** Persistent delays in JJM receivables (Uttar Pradesh and Jharkhand, >12–15 months overdue) risk prolonged elevated debt and margin pressure. Further slippage in central/state funding could extend the cash-flow stress and hinder execution momentum.
- **Competitive intensity in railways:** The domestic railway electrification market has limited growth potential, as more than 95% of the network is already electrified. Competitive intensity has surged, with 20+ bidders participating in most tenders, compressing margins and reducing win probability. Consequently, the segment has delivered zero to negative growth, and management is prioritizing selective closures of existing projects. Railways' competitive intensity and limited domestic electrification scope remains a risk.

About the company

KPIL, a leading global engineering, procurement, and construction (EPC) powerhouse and a pioneering force in India's energy and infrastructure landscape, was incorporated in 1981 and is headquartered in Mumbai, Maharashtra. The company provides turnkey solutions that fuel the country’s infrastructure boom, energy transition, and urban transformation. Its specialized diversified portfolio spans power T&D (40% order book), buildings & factories (29%), water infrastructure (13%), oil & gas (9%), railways (5%) and urban infra (4%), with projects across power grids, residential/commercial complexes, pipelines, metro systems, and highways, which not only target domestic dominance but are also spread across international markets in 75 countries. It leverages cutting-edge technologies like digital twins, Building Information Modelling (BIM), AI-powered Kalp Gyaan (GenAI hub), in-house tower manufacturing (240,000 MTPA capacity) and global subsidiaries such as Linjemontage (Sweden) and Fasttel (Brazil) to execute full EPC lifecycles - from design and fabrication to commissioning and operations & maintenance (O&M) – to achieve 37,000 km transmission lines, 14mn sq. ft residential projects and TBM (Tunnel Boring Machine)metro tunnelling milestones. Having evolved as a T&D specialist through key acquisitions (e.g., JMC merger in 2023) and a legacy of more than four decades, KPIL achieved its highest-ever consolidated revenue of Rs 223bn in FY25 (+14% YoY) through its 23,400+ professional workforce.

Exhibit 63: Organization structure as on FY25



Source: Company, Systematix Research

Exhibit 64: Management details

Name	Designation	Background & Domain Expertise
Mr. Mofatraj P. Munot	Non-Executive Chairman (Promoter)	Founder of Kalpataru Group with 55+ years of experience in real estate, property development, engineering & civil construction. Key architect behind KPIL's transformation into a global EPC leader. Deep expertise in infrastructure EPC, business building, governance, and community development.
Mr. Manish Mohnot	Managing Director & CEO	CA, ICWA, AMP (Harvard) with 30+ years of experience in energy & infrastructure. Spearheaded KPIL's globalization (acquisitions in Sweden & Brazil), technology adoption, and multifold revenue growth. Deep expertise in EPC, capital efficiency, M&A, digitalization, and strategy. ICAI CA Business Leader (Infra), 2025.
Mr. Ram Patodia	President – Finance & Chief Financial Officer	Finance leader with deep experience in EPC finance, capital allocation, treasury, and working capital. Oversees financial planning, risk management, debt optimization, and business performance across KPIL.
Mr. Parag M. Munot	Director (Promoter)	MD of Kalpataru Ltd. with 30+ years of experience in real estate development. He led the expansion to new markets (Hyderabad, Noida, Nagpur) and holds expertise in strategy, operations, finance & risk management. He is an MBA from Carnegie Mellon University. Provides strategic oversight across KPIL Group companies.
Mr. Shailendra Kumar Tripathi	Deputy Managing Director	Civil engineer with ~40 years of experience across buildings, industrial plants, metro, airports, water, roads & highways. Scaled KPIL's domestic and international (Africa, SE Asia) civil businesses. Strong technical, execution, and operational excellence expertise. Former MD & CEO of JMC Projects.
Mr. Dhananjay Mungale	Independent Director	Chartered Accountant with 25+ years of global experience in investment, corporate & private banking (Bank of America, DSP Merrill Lynch). Holds advisory roles at PE firms and family offices. Expertise in financial strategy, governance, risk oversight, and mentoring fintech startups.
Mr. Bimal Tanna	Independent Director	CA with 40 years of experience in financial due diligence, audit, valuations & taxation. Former Senior Partner at PwC India and Managing Partner (West). Expertise in governance, financial controls, strategic advisory, and board oversight. Advisor to corporates and startups.
Ms. Anjali Seth	Independent Director	Legal professional with 30+ years of experience advising global corporates in M&A, PE, governance, compliance, and regulatory matters. Held leadership/legal roles at IFC, ANZ Grindlays, Standard Chartered, Emaar Properties (UAE). Expertise in corporate law, litigation, and financial sector regulations.
Dr. Shailendra Raj Mehta	Independent Director	Economist and academic leader with degrees from Oxford (M.Phil) and Harvard (Ph.D. Economics). Held leadership roles at MICA, Ahmedabad University, Duke Corporate Education (India & Middle East). Expertise in organizational behavior, strategy, entrepreneurship, policy, governance & institutional development.
Ms. Raksha Kothari	Independent Director	Corporate & M&A lawyer with 35+ years of experience across domestic and cross-border deals, PE, capital markets, litigation & arbitration. Former Senior Partner at DSK Legal. Extensive expertise in corporate law, restructuring, insolvency, governance, and advisory to large Indian/global corporates.

Source: Company, Systematix Research

FINANCIALS (CONSOLIDATED)

Profit & Loss Statement

YE: Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Total Revenue	**196,264**	**223,158**	**271,393**	**305,850**	**354,653**
Revenue growth	20%	14%	22%	13%	16%
COGS	**148,005**	**169,385**	**200,569**	**226,340**	**262,456**
Emp. cost	17,176	21,135	28,179	30,434	34,999
Other cost	14,797	14,297	19,301	22,196	25,526
Total operating cost	**179,979**	**204,817**	**248,049**	**278,970**	**322,981**
EBITDA	**16,286**	**18,341**	**23,343**	**26,880**	**31,672**
EBITDA Margin	8.3%	8.2%	8.6%	8.8%	8.9%
Depreciation	4,733	4,973	5,122	5,378	5,647
EBIT	**11,553**	**13,369**	**18,221**	**21,502**	**26,025**
Other income	640	625	697	718	740
Finance cost	5,181	5,765	5,390	5,390	5,390
PBT	**7,012**	**8,228**	**13,529**	**16,830**	**21,375**
Current Tax	2,234	3,123	4,202	5,227	6,638
Deferred Tax	(381)	(567)			
Adj. PAT	**5,096**	**5,857**	**9,327**	**11,603**	**14,737**
Outstanding Shares (Mn)	**325**	**342**	**342**	**342**	**342**
PAT growth	46%	15%	59%	24%	27%
Adj. EPS	**31.4**	**35.5**	**54.6**	**67.9**	**86.3**

Source: Company, Systematix Research

Balance Sheet

YE: Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Total Equity Capital	**51,128**	**64,689**	**74,016**	**85,619**	**100,356**
Total debt capital	**40,082**	**43,135**	**44,135**	**44,135**	**44,135**
Capital Employed	**95,773**	**111,482**	**121,809**	**133,412**	**148,149**
Net Block	**19,963**	**21,813**	**23,191**	**23,813**	**24,166**
Capital WIP	333	286	286	286	286
ROU asset	1,029	1,618	1,618	1,618	1,618
Intangible assets	9,738	9,086	9,086	9,086	9,086
Receivables	1,311	805	805	805	805
Other NC assets	3,337	4,425	5,310	6,372	7,646
Current Assets					
Inventories	13,534	14,288	17,376	19,582	22,707
Sundry debtors	58,053	78,169	104,096	108,933	126,315
Other current assets	85,413	88,598	107,749	129,882	150,606
Investments	-	1,501	1,501	1,501	1,501
Bank balance	227	1,576	1,576	1,576	1,576
Cash	10,093	16,017	1,924	11,558	12,414
Total Current Assets	**182,789**	**215,104**	**248,021**	**274,554**	**316,883**
Sundry creditors	58,555	65,879	74,354	83,795	97,165
Provisions	4,705	6,166	7,499	8,451	9,799
Other current liabilities	55,373	66,306	80,637	90,875	105,376
Total current liability	**122,727**	**141,654**	**166,507**	**183,121**	**212,340**
Net Current assets	**60,062**	**73,450**	**81,514**	**91,433**	**104,543**
Capital deployed	**95,773**	**111,482**	**121,809**	**133,412**	**148,149**

Source: Company, Systematix Research

Cash Flow

YE: Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT	**5,159**	**5,673**	**9,327**	**11,603**	**14,737**
a) Adjustment For:					
Depreciation and Amortization	4,733	4,973	5,122	5,378	5,647
Finance Costs	5,181	5,765	5,390	5,390	5,390
Op.Profit Before WC Change	17,598	18,632	23,343	26,880	31,672
Change in Working Capital	(6,346)	(6,773)	(20,540)	2,397	(7,136)
Income tax paid	(2,823)	(2,719)	(4,202)	(5,227)	(6,638)
Net Cash flow from operations	**8,430**	**9,139**	**(1,399)**	**24,050**	**17,898**
Cash Flow from Investment					
Purchase of PPE	(3,516)	(5,746)	(6,500)	(5,500)	(5,500)
Sale of PPE	329	627	500	750	500
Interest Received	525	306	697	718	740
Net cash (used in) investing **activities**	**(2,631)**	**(7,185)**	**(5,303)**	**(4,032)**	**(4,260)**
Cash Flow from financing Activities					
Proceeds from Current / Non-Current Borrowings	1,366	4,870	1,000	-	-
Proceeds from Issue of Non Convertible Debentures	6,000	5,000	-	-	-
Redemption of Non Convertible Debentures	(2,250)	(5,730)	-	-	-
Repayment of Current / Non-Current Borrowings	(4,414)	(4,034)	-	-	-
Finance Costs Paid	(5,038)	(5,662)	(5,390)	(5,390)	(5,390)
Net Cash from Financing **Activities**	**(5,240)**	**3,997**	**(5,090)**	**(6,090)**	**(6,090)**
Net Increase/(Decrease) in **Cash and Cash Equivalent (A+B+C+D)**	**527**	**5,952**	**(11,791)**	**13,929**	**7,548**
Cash & cash equivalents, beginning of the year	9,575	10,102	16,055	4,263	18,192
Cash & cash equivalents, **end of the year**	**10,102**	**16,055**	**4,263**	**18,192**	**25,740**

Source: Company, Systematix Research

Ratios

YE: Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	37.9	33.5	21.8	17.5	13.8
EV/EBITDA (x)	14.3	12.4	10.4	8.7	7.3
EV/sales (x)	1.2	1.0	0.9	0.8	0.7
P/B (x)	7.6	6.3	5.5	4.7	4.0
RoE (%)	10.4%	10.1%	13.4%	14.5%	15.8%
RoCE (%)	10.1%	10.7%	11.1%	12.9%	14.2%
RoIC (%)	10.1%	10.7%	11.1%	12.9%	14.2%
DPS (Rs per share)	7.6	7.6	12.5	15.6	19.8
Dividend yield (%)	0.6%	0.6%	1.1%	1.3%	1.7%
Dividend payout (%)	24%	21%	23%	23%	23%
Net debt/equity (x)	0.58	0.37	0.53	0.34	0.29
Receivables (days)	108	128	140	130	130
Inventory (days)	25	23	23	23	23
Payables (days)	109	108	100	100	100
CFO:PAT (%)	1.7	1.6	(0.1)	2.1	1.2

Source: Company, Systematix Research

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