Infrastructure

Infrastructure initiation: Where the rubber meets the road

Indian E&C industry has witnessed a subdued order inflow (OI) since FY24, largely due to the weak macro environment explained by general elections & weak tendering activity. Roads has been particularly weak. The subdued environmental has impacted the book to bill ratio of the players. However, we expect mean reversion in OI in FY26E/FY27E. A boost in tendering activity will likely be led by improved inflow in core sectors, including road & residential buttressed by investment in clean energy. The industry remains fragmented. We like companies with diversified EPC execution, presence in less competitive segments, high order book to bill ratio (to tide over near-term weakness in OI) & trading at reasonable valuations. We initiate coverage on: **Afcons, NCC, Ahluwalia and Power Mech with a BUY rating. ADD on HG Infra and Ceigall, and SELL on KNR.**

Diversified players are better positioned

E&C industry encompasses opportunities from simple to complex projects. Naturally, the simple projects are prone to higher competition while competition is very low for complex projects. It is also difficult to bid for complex civil projects due to stringent pre-qualification criteria. As a result, we believe companies with diversified skillset are best suited to weather the downturn in any specific segment of industry.

Order inflow is set for mean reversion

Industry had seen weak order inflow in last 24 months. Roads especially have been badly impacted with a subdued activity. However, we expect the tendering activity to pick up in next 24 months. Two consecutive years of decline in domestic prospects was unprecedented until now.

Stronger balance sheets than last cycle

E&C businesses went through a torrid time between FY10-FY16. The balance sheets of the sector deteriorated due to cost & time overruns and investments in PPP's. We note that risk of the downside to the investment in PPP is now far low. As a result, we believe companies are likely to see less volatility in earnings.

Valuation

We use book to bill ratio, diversification, return on capital, working capital intensity and current valuation to arrive at our rating. We initiate with a **BUY** on Afcons, NCC, Ahluwalia and Power Mech, **ADD** on HG Infra and Ceigall, and **SELL** on KNR.

Infrastructure Coverage

Companies	Price (INR)	M. cap (INR bn)	Target (INR)	P/E FY27E	Rating
Afcons*	486	179	563	19	BUY
NCC*	206	129	239	13	BUY
GR Infra	1,019	99	1,329	13	BUY
PNC Infra	274	70	294	15	ADD
HG Infra*	1,126	73	1,288	12	ADD
Power Mech*	2,169	69	2,536	10	BUY
KNR*	244	68	195	12	SELL
Ashoka Buildcon	192	54	259	13	BUY
Ahluwalia*	818	55	947	13	BUY
Ceigall*	263	46	291	11	ADD

Source: Company, * initiating coverage, CMP as on 21/03/2025

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Investment Rationale

- E&C has seen subdued OI in the last 24 months. OI was impacted by India's general elections and weak tendering activity. We expect mean reversion in OI in FY26E, in line with historical trends.
- E&C industry remains very fragmented at the lower end of the segment, in terms of complexity and order size. Competitive intensity is high for simple civil works and low for complex civil works.
- OI has been subdued for roads, especially national highways. The sector has seen a subdued FY24 and FY25. A host of listed entities are dependent on national highways for OI. This has impacted the overall market sentiment.
- **View based on end user**
  - Engineering, Procurement, and Construction (EPC) ordering is done by centre, public sector, private sector and states. OI from public-private partnership (PPP) in the core sector has been below our expectations. However, the government is looking to encourage PPP ahead
  - Centre's overall capex spends have been steady in the last few years with some pockets of disappointments (Jal Jeewan Misssion in FY25E)
  - The overall capex from public sector is also likely to be steady going forward due to their healthy balance sheets
  - State capex remains a laggard. However, a few states are pushing for infra capex. Maharashtra has finalised an EPC tender worth INR 1trn in FY25E aiding the OI.
  - Private capex – power, residential and commercial real estate, factories, data center, PPP in roads (HAM and BOT) are expected to aid in OI in FY26E/FY27E
- **View based on sectors**
  - Roads (20% of opportunity) has seen a massive decline in new ordering opportunities, as the government is keen to relook the new build ups. HAM and BOT constitute majority of the new build up. As a result, the stronger balance sheets shall have an advantage
  - Railways (20% of opportunity) has seen steady opportunities, but with competition strengthening. Railways have moved to EPC awarding. We estimate an opportunity of INR 1trn in the near term
  - Metro (5% opportunity) has been steady. The package sizes are generally large and thus is of interest to our listed universe. We estimate INR 150bn–200bn p.a. of opportunity
  - High Speed Rail (HSR) and Dedicated Freight Corridors (DFC) – India has finished building up two DFCs. It has also finished the awarding of its first HSR. Three more DFCs and HSR are under evaluation. These are unlikely to aid OI in FY26E and FY27E
  - Ports offer small EPC opportunity but the competitive intensity remains low for such work. We estimate INR 30bn–40bn worth of opportunities every year. We estimate a pick-up in the near term due to build up of Vadhavan ports. Afcons remains a key beneficiary for emerging opportunity

- Airports pipeline is also sporadic. On steady state, we expect it to throw up EPC opportunities of INR 60bn-100bn p.a. L&T and Tata Projects are the two large EPCs.
- Power – strong opportunities
  - Conventional generation is seeing a pick up. India has awarded 35GW of thermal power plants in the last two fiscals. We expect this to lead to strong opportunities in balance of plants
  - Hydro awards: Hydro has been a slow growing segment. We expect awarding to pick up. We expect INR 150bn–200bn of ordering per annum going forward
  - The renewables are witnessing a sharp pick-up in activity. The EPC opportunities are huge but it remains a low margin business and remains highly competitive. Total opportunity including module could be INR1trn p.a. However, it is largely being done on captive basis
  - Inter-state transmission capex is set to pick up. We expect a surge in OI activity in near term. We expect an EPC ordering of INR 300bn–350bn p.a. for the next two years
  - Distribution capex is also picking on back of installation of smart meters and upgradation of the network. The total opportunity size is ~INR400-500bn p.a. Few of tenders for smart meters (PPP mode) have been bagged by likes of NCC but execution has been slow
  - Nuclear power EPC is an opportunity reserved for few. L&T, Megha Engineering and BHEL have historically bid for nuclear EPC. In the near term, Mahi Banswara (~2.8GW) is likely to be up for bidding. FY25 saw a large bid of INR 120bn. We expect INR 200bn OI opportunity in the near term
- Irrigation and water remain volatile with lower predictability. We estimate an INR 100bn opportunity p.a. from this segment.
- Buildings and factories are seeing strong traction. We expect robust growth in these segments in FY26E and FY27E aided by residential and commercial segments. We expect Andhra Pradesh to shell out a slew of tenders (beneficiary for NCC)
- New segments: Pumped storage projects (PSP), interlinking and data center are throwing up interesting opportunities. We estimate OI of INR 400bn from pumped storage, INR 100bn from interlinking and INR 50bn–80bn from data center
- International opportunity
  - Among our coverage universe, L&T, Afcons and Wabag has been very active in Middle East and other geographies
  - We remain positive on infrastructure opportunities in the Middle East – especially, transmission, water and hydrocarbons

- **Trilemma: Growth, margins and return**
  - EPC margins are an interplay between project management, degree of self-execution vs subcontracting and complexity of the work

- An EPC company faces difficult choices while pursuing different EPC opportunities. It has to analyse its current skill set, acquisition of new skill set, counter party and working capital before taking on a new project.

- **Our expectations**
  - We expect OI to pick up in the near term – aided by improvement in OI in highways and power related capex
  - Our medium-term expectations are growth of 12–15% for our coverage universe – in line with historical averages. We believe, the newer opportunities of EPC should be able to help tide the weakness in core EPC opportunities

- **What we like?**
  - We use a framework of diversification of order book (OB), exposure to low competitive EPC segment, high book to bill ratio and valuation metrics to pick our winners
  - We like pure plays with high book to bill ratio or presence in less competitive segment and strong growth outlook in the segments.
  - On that basis, we like Afcons (strong OB, diversified, trading at 19x FY27E PE), NCC (high book to bill ratio, diversified, trading at 13x FY27E PE).
  - We also initiate coverage on Ahluwalia Contracts with a BUY rating (high book to bill ratio, trading at 13x FY27E PE), Power Mech with a BUY rating Ceigall with ADD, HG Infra with ADD rating (due to unrelated diversification) and KNR with a SELL rating.

- **Key risks related to the companies**
  - Unrelated diversification
  - Entering into new geographical areas or new EPC segment
  - Cost overrun in a large project (compared to total OB)
  - Delay in execution of current OB

Industry Overview

Exhibit 1: EPC opportunity

Segments	Current Run rate	Expected run rate	Competition Intensity
Existing Opportunities			
Roads	**INR 1.5trn p.a.**	**~INR 1.7trn**	**High**
EPC	*~INR 0.4trn*	*~INR 0.4trn*	*High*
HAM	*~INR 0.9trn*	*~INR 1trn*	*Moderate*
BOT	*~INR 0.2trn*	*INR 0.3trn*	*Low*
Railways	**INR 2.8trn p.a.**		**High**
Mainline	*~INR 0.8trn*	*~INR 0.9trn*	*High*
Station redevelopment	*~INR 0.1trn*	*No large opportunities in near term*	*Low*
High Speed Rail	*INR 0.6trn*	*No large opportunities in near term*	*Low*
DFCC	*INR 1.2trn*	*No large opportunities in near term*	*Low*
Hydro	**~INR 0.2trn**	**INR 0.4trn**	**Low**
Buildings	**INR 1trn p.a.**	**INR 1.1trn p.a.**	**Low**
Power			**Moderate**
Generation	-	*INR 250bn p.a.*	*Low*
Transmission	*INR 150bn p.a.*	*INR 300bn p.a.*	
Distribution	*INR 250bn p.a.*	*INR 350bn p.a.*	
Smart meter	*INR 500bn p.a.*	*INR 200bn p.a.*	
Irrigation	**INR 200-250bn p.a.**	**INR 200-250bn p.a.**	**Moderate**
New age emerging opportunities			
Metro	**~INR 150bn p.a.**	**~INR 200bn p.a.**	**Moderate**
Elevated			*Moderate*
Underground			*Low*
Pumped Storage	**INR 50bn p.a.**	**INR 250-300bn p.a.**	**Low**
Renewables	**INR 1trn p.a.**	**INR 2trn p.a.**	**High**
River Interlinking	**INR 40bn**	**INR 100bn p.a.**	**Low**
Datacentre	**INR 10bn p.a.**	**INR 15bn p.a.**	
Airports	**INR 30-40bn p.a.**	**No large opportunities in near term**	**Low**
Ports	**INR 30-40bn p.a.**	**INR 100-150bn p.a.**	**Low**

Source: Company data, I-Sec research

Exhibit 2: ICICI Securities infrastructure universe

Company	Investment Rationale
Afcons (BUY) TP: INR 563 (Top Pick)	• Has a diversified presence across verticals including urban infra, hydro, highways, marines and industrial works • Strong execution track record in complex projects such as underground metro, elevated corridor verticals etc. • Diversified orderbook of INR 342bn, with a strong book-to-bill ratio of 2.6x • 12% Revenue CAGR growth in FY18-24 accompanied with stable margins of 10-11% • Strong balance sheet with comfortable debt levels along with efficient working capital management • We initiate coverage on **Afcons** with **BUY** rating with a TP of INR 563, valuing the EPC business at 22x FY27E earnings
HG Infra (ADD) TP: INR 1,288	• EPC company with presence in roads, railways and metro verticals • Further, the company has entered the renewables segments – BESS project (0.4GW) and solar EPC. Execution in the new vertical would be a key monitorable • 25% revenue CAGR over FY17-24; with strong EBITDA margins of 16-17% over the years • Revenue visibility remains strong on account of a strong OB of INR 160bn (3.8x TTM revenue) • Strong balance sheet over the years with efficient working capital management • We initiate coverage on HG Infra with **ADD** rating and TP of INR 1,288, valuing the EPC business at 10x FY27E earnings and HAM assets at 1.2x FY27E BV
NCC (BUY) TP: INR 239	• Diversified player across various segments including building, transportation, water, railways, t&d and irrigation • Strong hand over project execution in the building segment historically • High revenue CAGR growth of 16% in FY18-24 supported by stable EBITDA margins of 9-10% • Order backlog of INR 524bn, as of Sep'24, translates to book-to-bill ratio of 2.7x • Given the payment related issues, the company has seen a rise in working capital to 95 days in Q3FY25 from 52 days in FY24 • We initiate coverage on NCC with a **BUY** rating and a TP of INR 239, valuing the business at 15x FY27E earnings
Ahluwalia (BUY) TP: INR 947	• Has a rich history of executing projects in the buildings segment and has entered into station redevelopment • Robust revenue visibility with OB value of INR 161bn, casting a book-to-bill ratio of 3.9x • EBITDA margins ranging between 8-10%; relatively lower compared to peers. We estimate the margins to be ~10% • Strong presence across the private segment (50% of OB) with prudent risk management negating any payment issues • Lean balance sheet with minimal debt levels coupled with efficient working capital management (85 days in FY24) • We initiate coverage on Ahluwalia with a **BUY** rating and TP of INR 947, valuing the EPC business at 15x FY27E earnings
Power Mech (BUY) TP: 2,536	• Power Mech Projects has established itself as a key player in the infrastructure and power services sector, demonstrating resilience across business cycles. • Over FY19-24, its revenue and PAT have grown at CAGRs of 13% each, driven by a strong order book and execution capabilities. • The company has been expanding its footprint beyond power services into segments like railways, water, and O&M, ensuring diversification and long-term growth visibility. • It currently has an order book of INR 190 bn, translating to a book-to-bill ratio of 4.2 TTM, providing strong revenue visibility. • We initiate coverage on Power Mech with a **BUY** rating and a target price of INR 2,536 implying an upside of 16.9%
Ceigall (ADD) TP: INR 291	• Started as a pure EPC player in the road segment, currently holds 9 HAM assets along with entry into railway EPC • 52% revenue CAGR over FY19-24 (on account of lower base); with stable margins within the range of 14-15% • Decent revenue visibility with an OB value of INR 117bn (3.6x book to bill) • Improved balance sheet with adequate working capital management (peaked post FY22) • We initiate coverage on Ceigall with an **ADD** rating and a TP of INR 291, valuing the EPC business at 8xFY27E earnings and HAM assets at 1.2x FY27E BV
KNR (SELL) TP: INR 195	• Presence across EPC verticals segments such as roads, irrigation and pipeline • Lower revenue visibility with an OB value of INR 44bn, with book to bill of 1.1x TTM revenue • Revenue growth and OI has been robust until FY23; however, the company has been struggling to gain new major orders since then. Its OB of 1.1x the sales is one of the lowest in the industry • Given the delay in receiving AD for some of its projects, we believe that even if substantial OI is accrued over next few quarters, FY26E revenue would still be weak

Company	Investment Rationale
	• Given the competition and need to build its OB, there could be pressure on margins going forward • We initiate coverage on KNR with a **SELL** rating and TP of INR 195, valuing the EPC business at 9xFY27E earnings; BOT assets at 1.2x equity invested and HAM assets at 1.2x equity invested
Ashoka Buildcon (BUY) TP: INR 259	• Executes EPC opportunities across road and power T&D verticals • OB stands at INR 165bn with a book to bill ratio of 1.6x TTM revenue, coupled with a strong order pipeline of INR 1-1.2trn in the near future • Strong revenue growth of 21%CAGR over FY18-24, however, the company has struggled to keep pace with EBITDA margins stability (17% in FY19 to 11% in FY24) • Quality balance sheet with nominal debt accompanied and efficient working capital management • We maintain our **BUY** rating on with a TP of INR 259, valuing the EPC business at 8x FY27E earnings, HAM assets at 2.2x equity invested and BOT asset at 1.9x
PNC Infra (ADD) TP: INR 294	• Executes EPC opportunities across road and water segments. • OB stands at INR 189bn with a book to bill ratio of 3.3x TTM revenue accompanied by order pipeline of INR 1.8trn for coming fiscal • Revenue has seen growth of 19% CAGR over FY19-24; however, financials have seen negative growth in FY25 on account of poor execution • EBITDA margins has been stabled over the years within the range of 13-15% • PNC Infra has seen a stable destressed balance sheet along with efficient working capital management over the years ranging between 50-80 days • We maintain **ADD** with a TP of INR 294, valuing the EPC business at 8x FY27E earnings, HAM assets at 1.2x equity invested and NPV value for BOT assets
GR Infra (BUY) TP: INR 1,329	• Executes EPC opportunities majorly within the road segment, followed by the transmission segment • OB stands at INR 222bn with a book to bill ratio of 3.3x TTM revenue and an order pipeline of INR 1.4trn for the near future • Revenue has grown at a slow pace compared to peers historically, with a 9% CAGR in FY19-24. GR Infra faced deceleration during FY25 owing to lower execution on account of delays in receival of appointed date for its HAM projects • The company witnessed compression in its EBITDA margins over the years, dropping from 20% in FY19 to 12% in FY25-YTD • GR Infra has deleveraged its balance sheet over the past five years with debt-to-equity ratio dropping from 0.5 in FY19 to 0.1 in FY24. However, there has been increase in working capital days over the last few years • We maintain **BUY** with a TP of INR 1,329, valuing the EPC business at 10x FY27E earnings, HAM and BOT assets at 1.5x equity invested and Invit value of ~INR 50bn

Source: Company data, I-Sec research, CMP as on 21/03/2025

Exhibit 3: Valuation of sector universe

Companies	Price (INR)	M cap (INR bn)	TP (INR)	EPS (INR)		P/E (x)	
				FY26E	FY27E	FY26E	FY27E
Larsen and Toubro	3,417	4,699	4,477	124	149	28	23
IRB Infrastructure*	47	283	NA	2	2	23	21
KEC	839	223	900	37	48	23	17
Afcons Infrastructure	**486**	**179**	**563**	**24**	**26**	**21**	**19**
Kalpataru*	972	166	NA	57	72	17	13
NCC	**206**	**129**	**239**	**14**	**16**	**14**	**13**
ITD Cementation*	554	95	NA	31	36	18	15
GR Infra	**1,019**	**99**	**1,329**	**69**	**80**	**15**	**13**
PNC Infratech	**274**	**70**	**294**	**15**	**19**	**18**	**15**
Power Mech	**2,169**	**69**	**2,536**	**157**	**211**	**14**	**10**
HG Infra Engineering	**1,126**	**73**	**1,288**	**93**	**98**	**12**	**12**
KNR Construction	**244**	**68**	**195**	**19**	**21**	**13**	**12**
Jkumar Infra*	678	51	NA	62	75	11	9
Ahluwalia	**818**	**55**	**947**	**50**	**63**	**16**	**13**
Ashoka Buildcon	**192**	**54**	**259**	**13**	**15**	**15**	**13**
Ceigall India	**263**	**46**	**291**	**20**	**23**	**14**	**11**

Source: Bloomberg, I-Sec research, CMP as on 21/03/2025

*Bloomberg Estimates & Unrated

Exhibit 4: Evaluating the infrastructure companies

Parameters	KNR	HG Infra	NCC	Ahluwalia	Afcons
Quantitative					
Leverage (Debt/Equity)	★★★★★	★★★	★★★★	★★★★★	★★
Working Capital Efficiency	★★★	★★★★	★★	★★★	★★★★★
Margins	★★★★★	★★★★	★★★	★★	★★★★
ROCE	★★★	★★★★★	★★★★	★★★★	★★★
Executable Order Book	★★★★	★★★★	★★★★	★★★	★★★★★
Revenue Visibility	★	★★★	★★★★	★★★★★	★★★★★
Qualitative					
Execution capability	★★★	★★★	★★★★	★★★★	★★★★★
Segmental Diversification	★★	★★★	★★★★★	★★★	★★★★★
Geographical Diversification	★★	★★★★★	★★★★★	★★★★	★★★★★
Overall	★★	★★★★	★★★★★	★★★★	★★★★★

Source: I-Sec research, Company data

Exhibit 5: Evaluating the infrastructure companies (cont.)

Parameters	Ceigall	Ashoka Buildcon	GR Infra	PNC Infra	Power Mech
Quantitative					
Leverage (Debt/Equity)	★★★★	★★★	★★★★★	★★★★★	★★★★
Working Capital Efficiency	★★★★★	★★★★	★★★	★★★	★★
Margins	★★★	★★	★★★	★★★★	★★★
ROCE	★★★★★	★	★★★	★★★★	★★★★
Executable Order Book	★★	★★★★★	★★★★	★★★	★★★★
Revenue Visibility	★★★★★	★★★	★★★★★	★★★★	★★★★★
Qualitative					
Execution capability	★★★	★★★★	★★★	★★★	★★★★
Segmental Diversification	★★	★★★★	★★★	★★★	★★★
Geographical Diversification	★★★	★★★★	★★★★	★★★	★★★★
Overall	★★★★	★★★★	★★★	★★★	★★★★

Source: I-Sec research, Company data

Exhibit 6: Key sectoral metrics as on Q3FY25

Companies	Order Book (INR bn)	TTM Book to Bill (x)	TTM Revenues (INR bn)	EBITDA Margins	Key Segment
Larsen and Toubro	5,642	3.2	2,484	10%	Infrastructure - B&F, Civil, T&D Hydrocarbon, Renewable, Transportation
KEC	374	1.8	211	6%	T&D, Civil, Railways
Kalpataru	614	3.4	178	8%	T&D, B&F, Water
GR Infra	169	2.5	68	13%	Roads and Metro
PNC Infratech	189	3.3	57	12%	Roads and Water
KNR Construction	39	1.0	38	18%	Roads and Irrigation
HG Infra	151	2.6	57	16%	Roads, Railway and Solar
Ashoka Buildcon	165	2.2	76	8%	Roads, T&D
ITD Cementation	199	2.2	89	9%	Marine, Roads and Hydro
J. Kumar Infra	205	3.7	55	14%	Roads, Metro
NCC	555	2.9	193	9%	Buildings, Roads, Water, Railway, T&D, Irrigation
Ahluwalia	163	4.0	40	8%	Buildings, Railway Stations
Afcons Infrastructure	380	2.9	129	11%	Metro, Roads, Hydro and Tunnels
Ceigall India	117	3.6	33	14%	Roads, Railways and Metro
Power Mech	183	4.4*	41	12%	Mining, Power, Railway, Metro, Water

Source: I-Sec research

*Excluding MDO Orders

Exhibit 7: Competitive landscape

Construction	L&T	Afcons	KEC	Kalpataru	Tata	ITD	NCC	GR Infra
Bridges	✓	✓		✓	✓	✓	✓	✓
Flyovers	✓	✓		✓		✓	✓	
High Speed Rail	✓	✓					✓	
Tunnels	✓	✓		✓	✓	✓	✓	✓
Elevated corridors	✓	✓		✓	✓	✓		✓
Oil and Gas	✓	✓	✓	✓	✓			
Railways	✓	✓	✓	✓	✓	✓	✓	✓
Metro	✓	✓	✓	✓	✓	✓		✓
Roads	✓				✓	✓	✓	✓
Buildings	✓		✓	✓	✓	✓	✓	
Water and Irrigation	✓	✓		✓	✓	✓	✓	
Ports	✓	✓			✓			
Hydroelectric	✓	✓				✓	✓	
Hydro carbon	✓							
Transmission	✓		✓	✓	✓		✓	✓
Mining	✓	✓			✓		✓	
Renewables Infra	✓		✓					
Power Plants	✓				✓			
Nuclear	✓			✓				
Defence	✓		✓					

Source: I-Sec research

Exhibit 8: Competitive landscape (cont.)

Construction	Megha	HG Infra	J Kumar	Ashoka	PNC	KNR	Ceigall	Ahluwalia	Power Mech
Bridges	✓		✓	✓	✓		✓		
Flyovers	✓		✓		✓	✓	✓		
High Speed Rail	✓								
Tunnels	✓		✓				✓		
Elevated corridors			✓	✓	✓		✓		
Oil and Gas									✓
Railways	✓	✓		✓	✓	✓	✓		✓
Metro		✓	✓			✓	✓		
Roads	✓	✓	✓	✓	✓	✓	✓		✓
Buildings			✓	✓				✓	
Water and Irrigation	✓		✓		✓	✓			✓
Ports									
Hydroelectric	✓								
Hydro carbon	✓								
Transmission	✓			✓	✓				✓
Mining									
Renewables Infra	✓	✓		✓					✓
Power Plants	✓								✓
Nuclear									✓
Defence									

Source: I-Sec research

Exhibit 9: Working capital efficiency

Company	Working capital (FY24)	EBITDA Margins (FY24)	WC efficiency
Afcons	Low	Low	Moderate
NCC	Low	Low	Moderate
Ahluwalia	Moderate	Low	Low
Ceigall	Moderate	High	High
KNR	High	High	Moderate
HG Infra	Moderate	High	High
Ashoka	Low	Low	Moderate
PNC	Moderate	High	High
GR Infra	High	High	Moderate
Power Mech	High	Low	Moderate

Source: I-Sec research, Company data

Road to revival

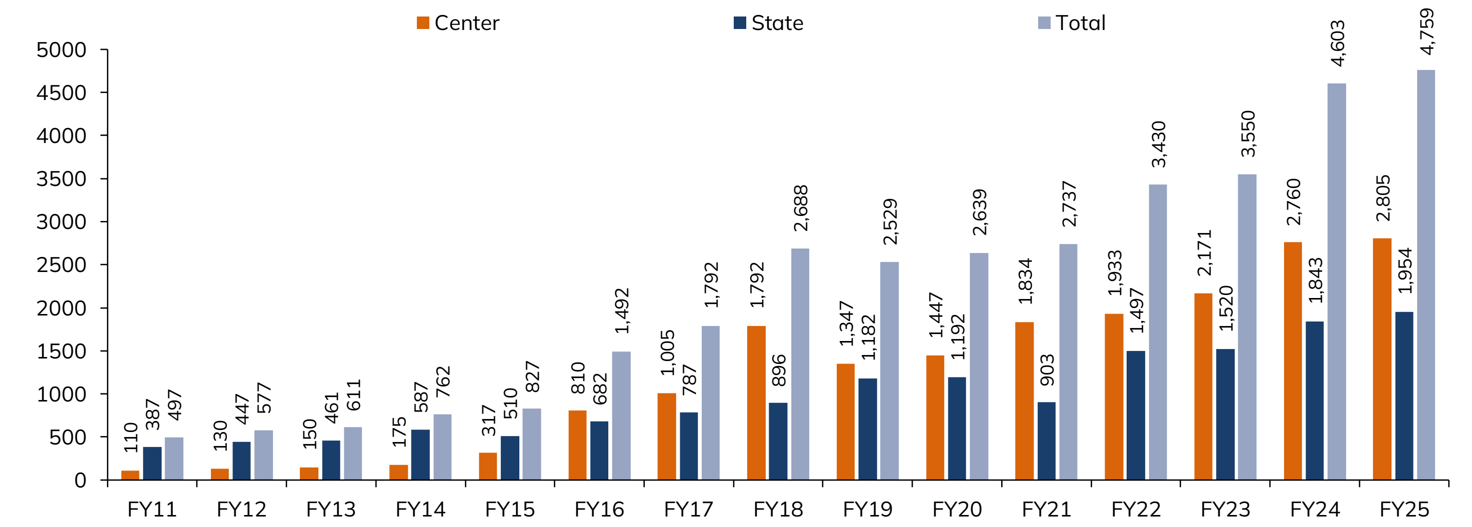
- **India has one of the largest road networks in the world. The total length of India's national highways is ~150,000km and state highways is ~180,000 km.**
- **EPC opportunities in road sector primarily emerges from opportunities on greenfield or existing national highways (under purview of central government) well supplemented by opportunity from state sector.**
- **Roads provide one of the largest EPC opportunities in India with a total OI of ~INR 1.5trn–2trn p.a.**
- **Road awarding dipped in FY24 owing to delay in obtaining approvals from Union Cabinet for existing plans to build national highways.**
- **We expect road EPC opportunities to pick up from FY25 onwards. However, the EPC opportunities saw a massive jump in FY25 with states awarding orders worth INR 880bn.**
- **Roads are being awarded increasingly on annuity and toll basis. A strong balance sheet aids in participating in the bids; thus, favoring large listed players. Note that competition is lesser in annuity and toll; thus, leading to higher EPC margins.**
- **Key players for roads are Ashoka, Ceigall, GR, KNR, PNC, HG Infra, Dilip Buildcon, IRB among the listed entities.**

EPC opportunities from the roads sector have been tepid in FY24 and FY25, especially for national highways, as the government is looking to revamp its existing plan. However, the sector saw a strong finalisation of tenders from the state of Maharashtra. Note that state sector ordering does not happen regularly.

Historically, roads have seen a strong jump in investment

Roads, as a sector, has seen sizable investment post the National highway development project (NHDP) program launched in 2000. The total roads capex in FY23, at INR 3,550bn, has grown at a CAGR of 17% over FY00–23. While state capex drove the initial period of growth over FY00–11, centre's capex has been the key driver over the last decade growing at a 23% CAGR.

Exhibit 10: Total road capex (INR bn)



Source: PIB, I-Sec research

However, not everything matters for our coverage universe

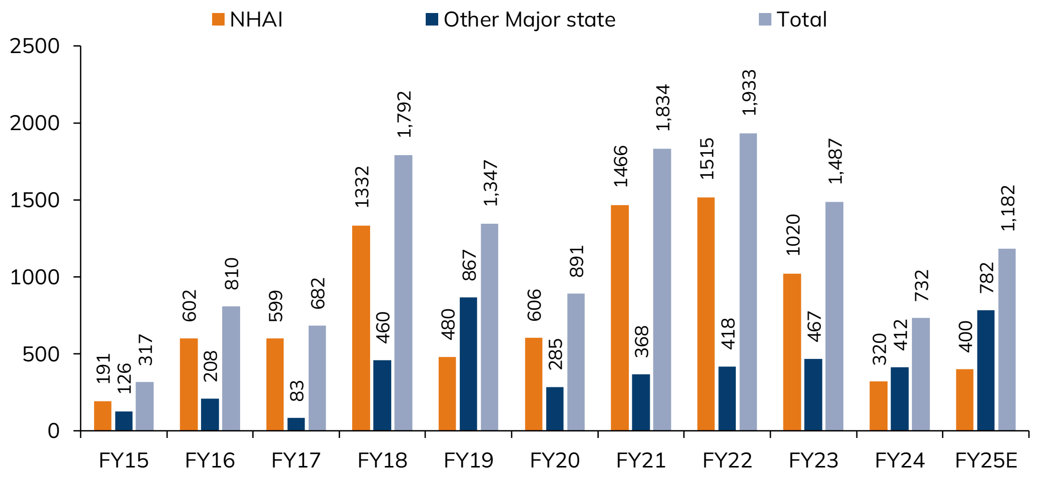
Most of these companies could not participate in the initial period of higher contribution from state capex till FY14 due to the following reasons:

- State orders are usually smaller in size
- There were two-lane roads, district roads, rural roads – which are low-end works
- Most of the orders have been on EPC mode with qualifying criteria and performance parameters not stringent enough
- Lesser capital requirement led to much higher competition from small regional players across geographies

India's large road tender subdued; Maharashtra's provides some reprieve

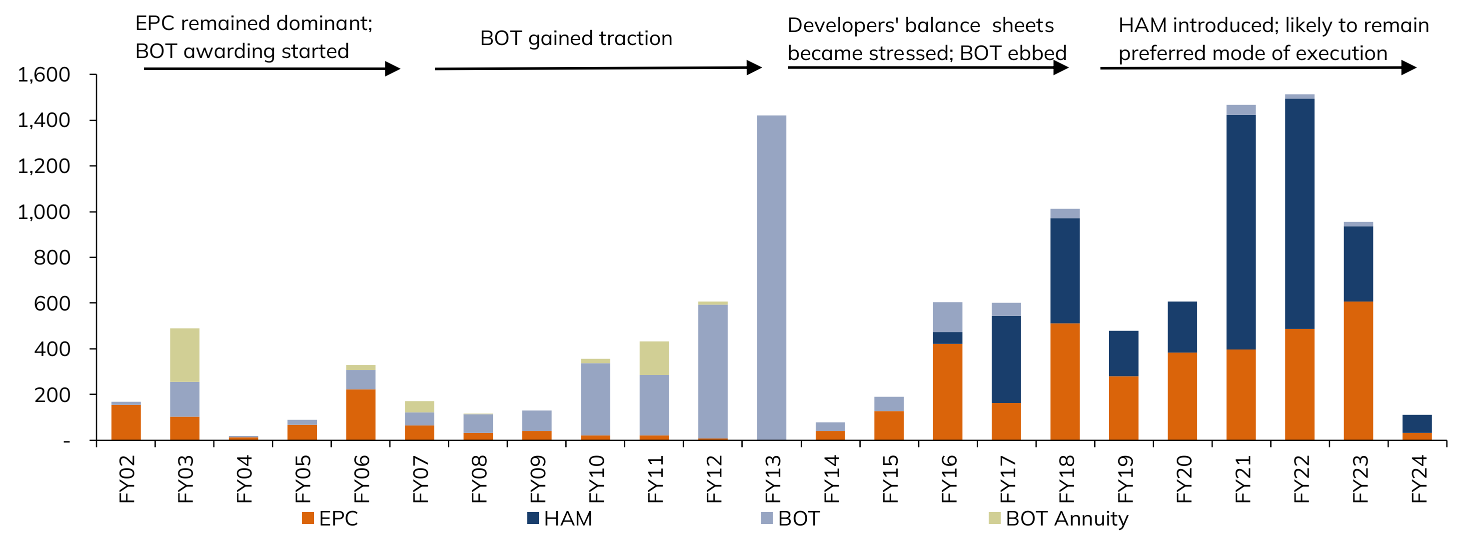
National Highways Authority of India (NHAI)'s road activity has been subdued in the last 24 months, impacting OI for EPC road companies in our coverage. There was some reprieve as the state of Maharashtra finalized tenders worth INR 800bn.

Exhibit 11: Road awarding (INR bn)



Source: Project today, I-Sec research

Exhibit 12: NHAI awarded project split (INR trn)



Source: I-Sec research

Exhibit 13: Road landscape

	Near Term Order Pipeline	Competition (Number of Players)	Players
HAM	1.4 trn	High (10+)	Ashoka, KNR, PNC GR Infra, HG Infra, Ceigall, Dilip Buildcon
EPC	0.5 trn	High (20+)	Afcons, KNR, Ashoka, PNC, ITD, GR Infra, HG Infra, NCC, Ceigall
BOT	0.3 trn	Low (<5)	KNR, Ashoka, PNC, Ceigall
TOT	0.1 trn	Low (<5)	IRB, Funds

Source: I-Sec research, Project today

FY25's slowdown rooted in centre relooking existing plans

Bharatmala Pariyojana (Bharatmala) is an ambitious infrastructure development initiative launched by the Government of India (GoI) in 2017, aiming to enhance the nation's road network by constructing ~34,800kms of highways. The project's primary objectives include improving connectivity, facilitating efficient freight movement, and boosting economic activity across various regions. The government has extended the implementation of the project from FY23 to FY28.

A new plan is in the works

The pending Bharatmala projects have been re-branded under Vision 2047 plan to promote faster travel time, fuel efficiency and lower logistics costs. MORTH aims to construct 50,000kms of access-controlled highways; thereby, adding more lanes to the road networks, as most of these would be four-to-eight lane networks. About 7,500kms of Bharatmala's Phase I shall also form a part of the broader Vision 2047 bucket due to huge time and cost overruns.

Strong pipeline of large road tender

Exhibit 14: Near-term pipeline of INR 2.2trn

By Project Type			By State		
Project Type	Km	Value (INR trn)	State	Km	Value (INR bn)
HAM	4,834	1.4	Maharashtra	1,402	561
EPC	1,414	0.5	Telangana	884	236
BOT	434	0.3	Jharkhand	614	140
			Uttar Pradesh	545	111
			Madhya Pradesh	416	96
			Bihar	415	103
			Punjab	120	43
			Chhattisgarh	17	10
			Haryana	28	8
			West Bengal	368	103
			Gujarat	16	1
			Karnataka	275	142
			Odisha	231	82
			Tamil Nadu	155	81
			Kerala	88	34
			Others	1,108	495
Total	**6,682**	**2.2**	**Total**	**6,682**	**2,246**

Source: I-Sec research, Project today

Exhibit 15: Working model for roads

	Developers	Revenue Stream	Concession period	Bidding Parameter	Risk borne by Concessionaire: Project	Financing	Traffic
BOT (Toll)	Build Roads, undertake O&M and collect toll	Toll	20-25 years	Highest Revenue share or lowest grant	Y	Y	Y
BOT (Annuity)	Build roads, O&M and collects annuity	Annuity	20-25 years	Lowest Annuity	Y	Y	N
HAM	Build roads, O&M, collects annuity, 40% construction support	Annuity+ Interest+ O&M	15+ years of concession period	Lowest bid project cost + O&M cost	Y	Y	N
EPC	Build Roads	Contract Payment	-	Lowest EPC bid	Y	N	N

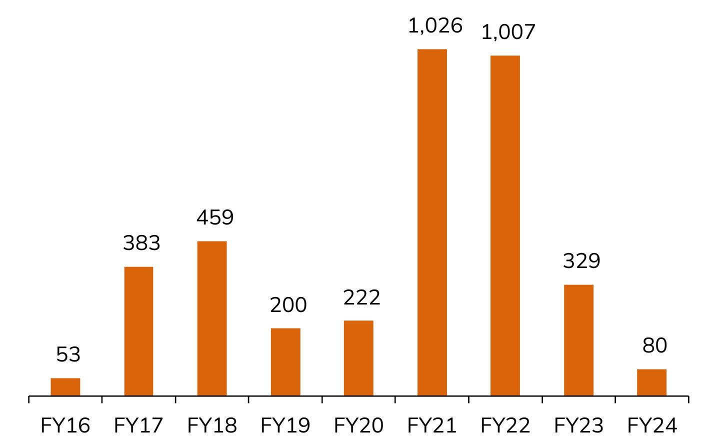
Source: I-Sec research

Hybrid annuity model (HAM) – to remain preferred mode of awarding

HAM awarding came into picture in 2016, post the stress seen in the sector due to lower-than-expected toll collections in BOT projects, impacting developers.

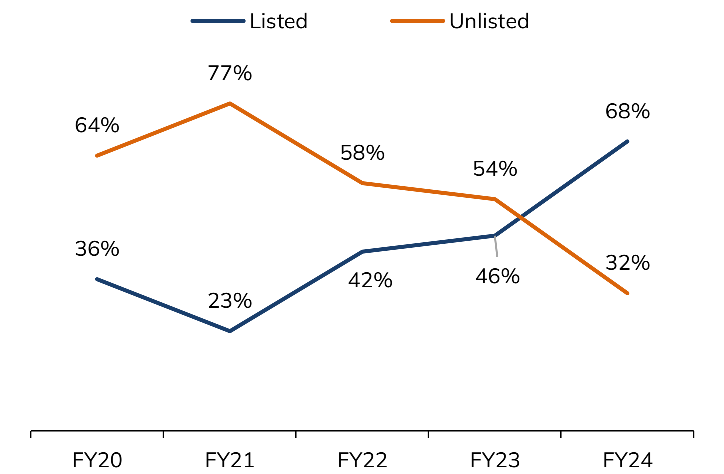
An important feature of HAM for highways development is the rational approach adopted for allocation of risks between the PPP partners, the government and the private partner i.e. the developer/investor. While the private partner continues to bear the construction and maintenance risks as in BOT (toll) projects, it is required only to partly bear financing risk. Further, the developer is insulated from revenue/traffic risk and the inflation risk, which are not within its control.

Exhibit 16: HAM Awards (INR bn)



Source: Company data, I-Sec research, Project today

Exhibit 17: Share of listed players in HAM



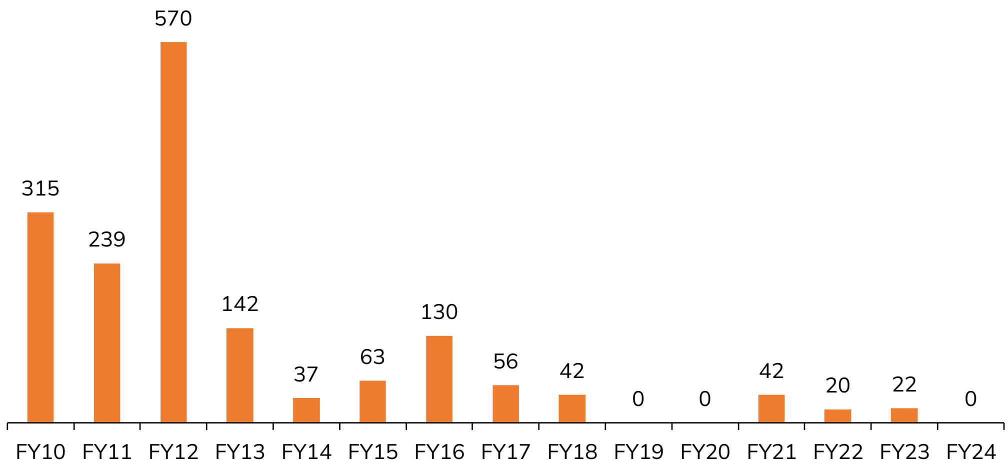
Source: Company data, I-Sec research, Project today

BOT – expected to gain traction

In FY12, ~96% of the projects had been undertaken through the BOT model. However, the share of these projects reduced significantly over the next decade on account of authority-related delays, land acquisition issues, aggressive bids by private players leading to projects being delayed or cancelled, and lower traffic density. Therefore, the concession was routed through the EPC and HAM models to plug the funding gap. Furthermore, the BOT projects hit a roadblock when non-performing-asset-ridden banks were not comfortable with lending to these projects; thereby, reducing their share to about 1% in FY24 from 85% in FY13.

In FY25, the NHAI, via the changes in BOT concession agreement, aims to strike a balance between attracting private investments and ensuring sustainable projects; thereby, safeguarding investors and leading to an estimated ramp-up in the share of BOT projects to 15–20%.

Exhibit 18: BOT awards (INR bn)

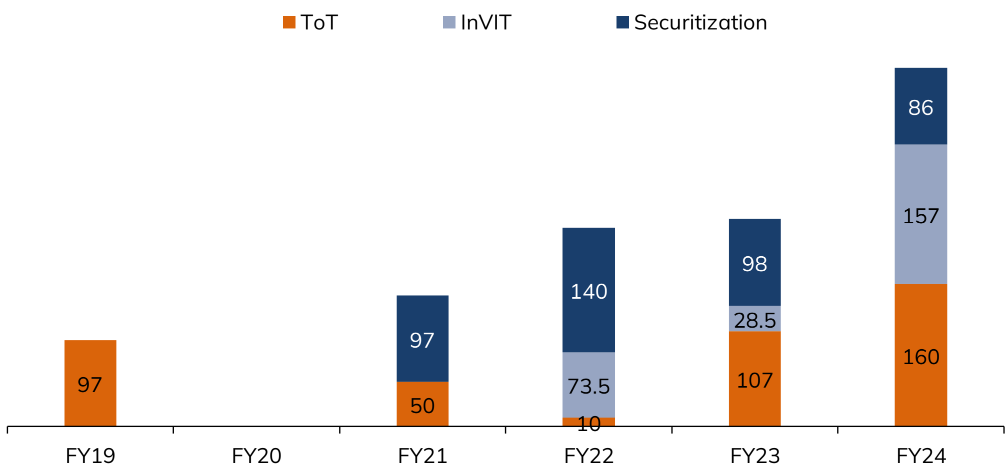


Source: Company data, I-Sec research, Project today

Record monetisation in 2024; shall reinforce NHAI's balance sheet

NHAI's monetisation receipts touched an all-time high of INR 403bn in FY24, growing by 73% YoY due to attractiveness of the road sector, predictable cashflows, established regulatory framework, strong appetite of foreign investors, and operational experience of players prompting them to go for greater investments year-after-year. Apart from the asset recycling through the Toll-Operate-Transfer (TOT) model and InvITs by the NHAI, which saw significant success in FY24, a significant number of completed HAM road assets are available for monetisation with developers looking to unlock their equity for deployment in developing new road assets.

Exhibit 19: Asset monetisation (INR bn)



Source: Company data, I-Sec research

Road projects monetised by NHAI through Toll-Operate-Transfer (TOT)

NHAI has been actively monetising its operational road assets under the TOT model as part of its broader asset monetisation strategy. Introduced in 2016, the TOT model is aimed at attracting long-term institutional investors while generating upfront capital to fund new highway projects.

The TOT model has helped NHAI raise substantial capital, reducing reliance on government funding and debt. It has attracted foreign institutional investors, including sovereign wealth funds and pension funds, boosting confidence in India's infrastructure sector. Going forward, NHAI aims to monetise more highways under TOT, with a target of raising over INR 3.5trn as part of the National Monetisation Pipeline (NMP) by FY30.

Exhibit 20: ToT bundles awarded till date

Particulars	Appointed date	Length (kms)	Value (INR bn)	Concession period	Bidder	Status
Bundle 1	Aug-18	681	97	30 years	Macquarie Ashoka	Operational
Bundle 2	-	587				Bidding process annulled
Bundle 3	Oct-20	566	50	30 years	Cube Mobility Investments	Operational
Bundle 4	-	336				Withdrawn
Bundle 5- A-1	Nov-21	54	10	20 years	Adani	Operational
Bundle 5- A-2	Apr-22	106	13	20 years	D P Jain	Operational
Bundle 6	-	108				Bids rejected. Monetized under InvIT Phase-II.
Bundle 7	Nov-22	135	63	20 years	Indian Highways Concessions Trust	Operational
Bundle 8	-	139				Bids rejected. Monetized under InvIT Phase-II
Bundle 9		73	31	20 years	NIIF	LOA issued on 24.01.2023
Bundle 10		125				Bids rejected. Taken up under InvIT Phase-III.
Bundle 11		85	22	20 years	Cube Highways and Infrastructure	LOA issued on 28 October 2023
Bundle 12		316	44	20 years	IRB Infrastructure	LOA issued on 28 October 2023
Bundle 13		273	17	20 years	IRB Infrastructure	LOA issued on 15 November 2023
Bundle 14			77	20 years	Cube Highways and Infrastructure	LOA issued on 15 November 2023
Bundle 15		124	17	20 years	Adani	L1 in Janaury 2025
Bundle 16		251	67	20 years	KKR	L1 in September 2024

Source: I-Sec research, Company Data

Upcoming TOT opportunities

MoRTH had targeted INR 390bn worth of road assets with a total length of 2,823km to be monetised in FY25 through TOT, InvIT and securitisation. Further, for FY26, MoRTH has unveiled a preliminary list of 24 highway assets with a stretch of 1,472km, which would further boost private participation and investment in the road sector.

Exhibit 21: Recently floated TOT asset

Particulars	Estimated Value (INR bn)	ToT (Km)
Bundle 17	33.4	333
Bundle 18	28.4	284
Bundle 19	18.5	185
Total	**80.3**	**802**

Source: Company data, I-Sec research, Project today

Exhibit 22: Deals (INR mn)

Company	Projects portfolio	Investor	Date	Equity invested	Debt	Deal EV	Equity value	P/BV (x)
KNR Construction	KNR Shankarampet Projects Pvt Ltd	Cube Highways	Dec-21	1,268	-	1,462		
KNR Construction	KNR Tirumala Infra Pvt Ltd	Cube Highways	Dec-21	1,617	-	-	1,930	1.19
KNR Construction	KNR Chidambaram Infra Private Ltd	Cube Highways	Feb-19	232	-	-	365	1.57
KNR Constructions	KNR Srirangam Infra Private Ltd	Cube Highways	Jan-19	895	-	-	1,112	1.24
Welspun Group	6 road assets	Actis	Jan-22	-	-	-	~90,000	
Brookfield	-	CPPIB	Apr-22	60,000	-	32,000	~92,500	1.50
Ashoka Buildcon	5 BOT toll assets	KKR	Dec-21	-		-	13,400	
IRB Infra	24.86%/16.94% stake in the company	Cintra/Bricklayers	Dec-21	74,490	93,000	1,67,490	53,500	0.72
GIP	5 toll road and 2 annuity road assets	KKR	Jul-21	-	-	-	-	
KKR	12 road assets	Ontario Teachers' Pension Plan Board	Apr-22	-	-	-	13,300	
Dilip Buildcon	10 HAM Projects	Shrem InviT	Dec-21	2,550	40,349	-	6,165	2.42
L&T IDPL	Eight Operational Assets	Edelweiss Infrastructure Yield Plus	Jul-22	-	-	-	7,000	
Dilip Buildcon	26% stake in 3 HAM assets	Alpha alternatives						
IRB Infra		Cintra						
Ashoka Buildcon	5 BOT toll assets	CDPQ	Oct-24	23,000	-	57,180	25,390	1.10
Ashoka Buildcon	11 HAM projects	EAAA India Alternatives	Dec-24	11,040	-	-	23,240	2.11

Source: Company data, I-Sec research

Railways on track for growth

- **Indian Railways (IR) is looking to invest on its tracks and electrification. The new investment is also being done to increase the speed on railway tracks. The total investment is pegged at ~INR 16.7trn till FY31.**
- **Also, GoI is looking to develop new HSR corridors and DFCs. It has completed two DFCs and has completed the award of one HSR corridor.**
- **Mumbai–Ahmedabad HSR is already in motion, while seven more corridors are waiting to hit the tracks. We don't expect any near-term opportunity in the near term.**
- **DFCs: Eastern and western DFCs are done, and three more are on the horizon – in pursuit of decreasing the logistics cost.**
- **We estimate a market of INR 1.5trn per year for EPC players like Ashoka Buildcon, L&T, Afcons, NCC, GR Infra, KEC, HG Infra.**
- **IR plans to invest ~INR 16.7trn by 2031 in freight corridors, HSR, and station upgrades. Key projects include redeveloping 1,309 stations and expanding DFCs, with strong private sector involvement. Companies such as L&T are already securing major contracts. We estimate a market of INR 1.5trn per year for EPC players like Ashoka Buildcon, L&T, Afcons, NCC, GR Infra, KEC, HG Infra.**

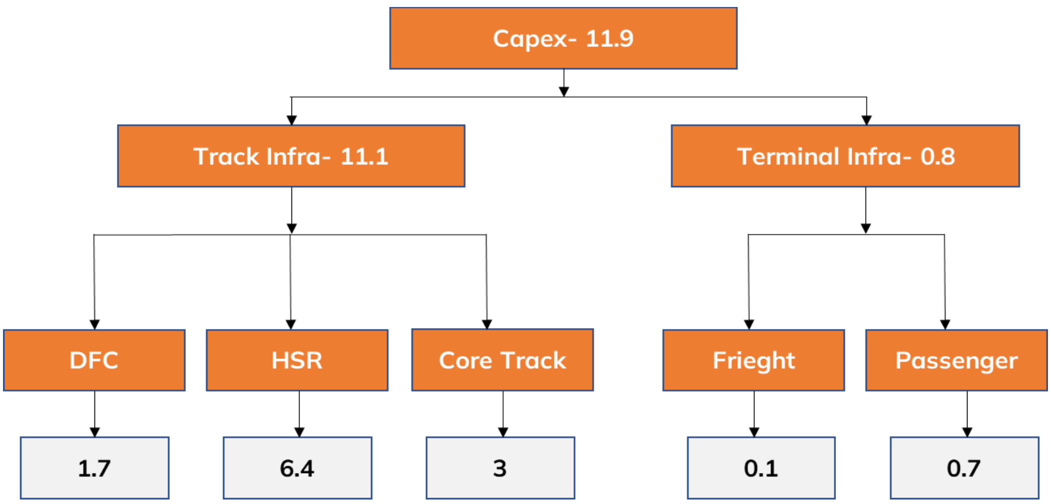
EPC projects make up 85–95% of investments in railway

IR previously used conventional item rate contracts for construction projects, where the authority provided detailed designs and quantity estimates, and payments were based on measurements of completed work. This method often led to time and cost overruns due to design delays, variations in items and quantities, and inadequate funding, with the authority bearing most of the construction risks. To meet the growing economic demand and enable faster expansion of the freight network, improved project execution capabilities is essential. Therefore, IR decided to adopt the EPC mode of contracting for construction projects.

National Rail Plan (NRP) lays out INR 11.9trn infra capex over 2021–31

NRP has put together a fairly detailed blueprint of IR's future capacity and investment plan and has identified specific projects. Total identified infra capex requirement is of INR 11.9trn during 2021–31 – highlighting the focus on new DFCs, HSR, rolling stock and freight terminals. Some of this potential has already been completed in terms of large ticket ordering over the last two years.

Exhibit 23: NRP lays out infra plan for INR 11.9trn over 2021–31

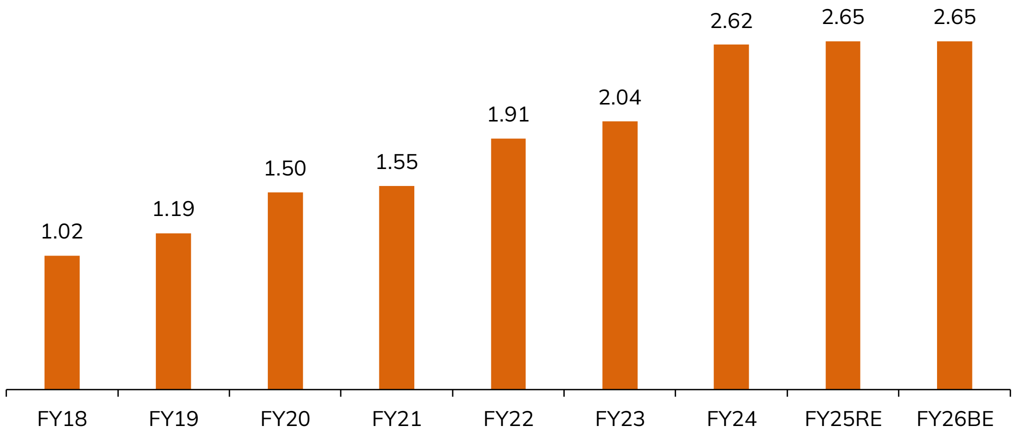


Source: I-Sec research, PIB, Indian Railway

Budgetary outlay

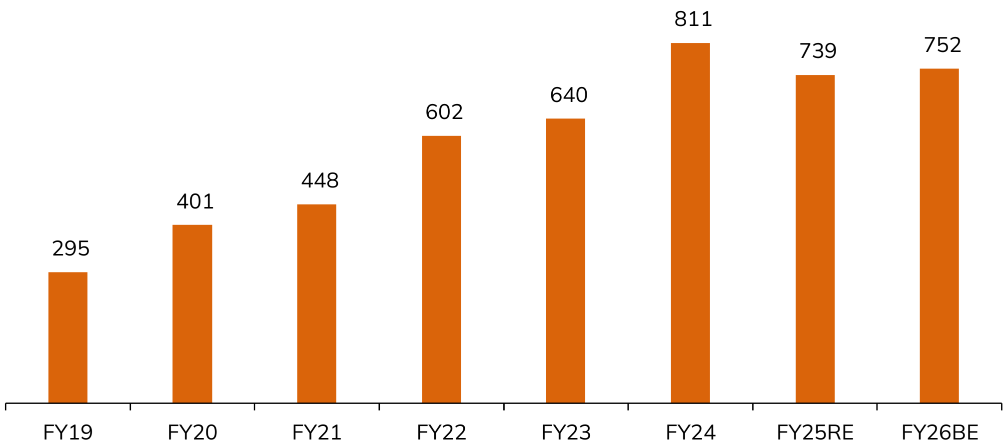
Budgetary outlay for IR has increased at a healthy rate from INR 1.55trn in FY21 to INR 2.65trn in FY25E (14% CAGR over FY21-25E).

Exhibit 24: Indian Railway budgetary outlay (INR trn)



Source: I-Sec research, Government Expenditure Profile

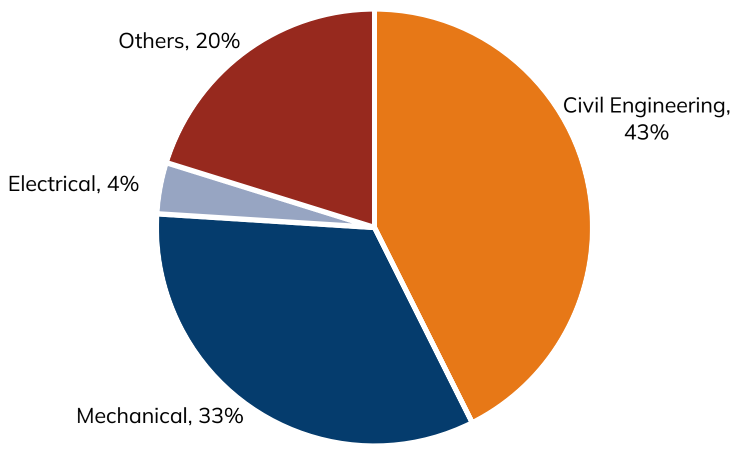
Exhibit 25: Civil work budget (INR bn)



Source: I-Sec research, Government Expenditure Profile

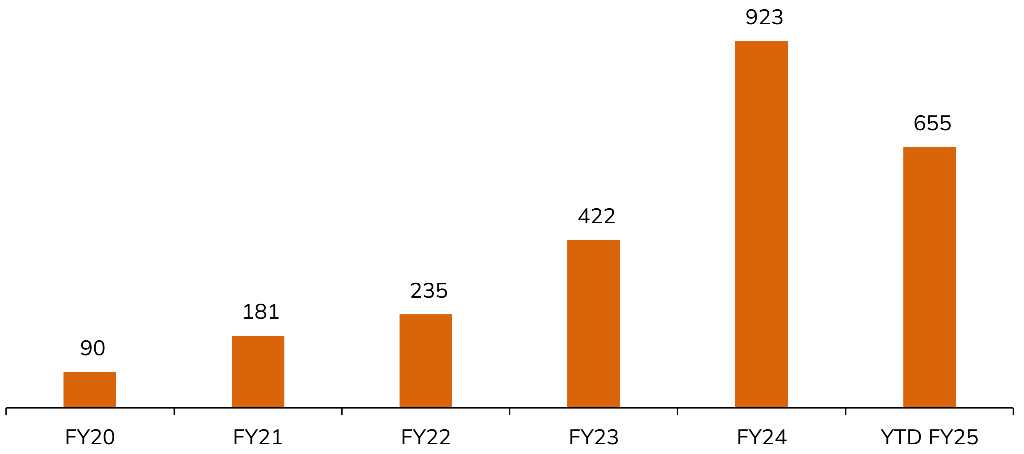
Includes Construction of new lines, Doubling of existing lines, Road safety works, Metropolitan transport projects

Exhibit 26: 43% of Ministry of Railway's expense is civil costs (FY23)



Source: I-Sec research, Indian Railway Annual Report

Exhibit 27: Floated work tender by IR (INR bn)



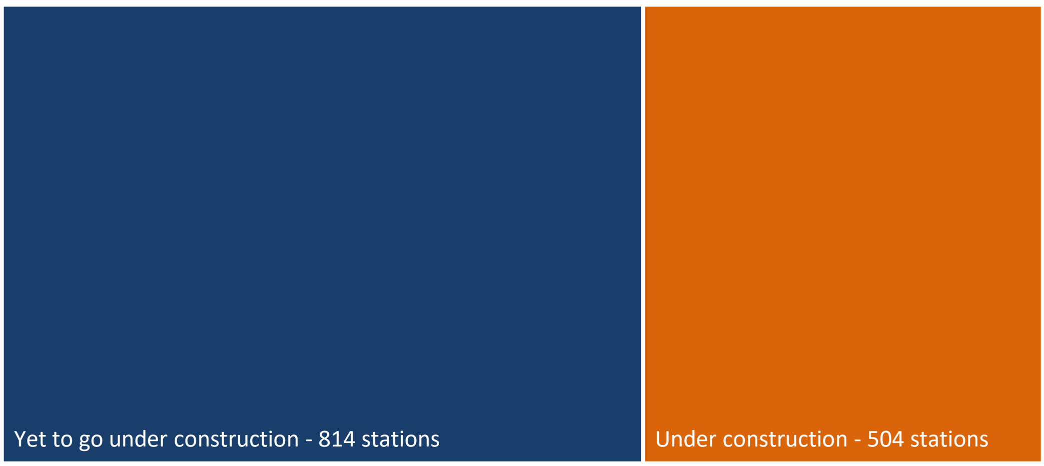
Source: I-Sec research, Project today

Railway station redevelopment gathering steam

The government has planned to redevelop/upgrade 1,324 railway stations largely through the EPC route. As of Feb'24, 508 railway stations are already under construction phase, while the balance is yet to go under construction (~1.5x the under construction sites till date). Further, GoI laid the foundation for redevelopment of 553 railway stations in Feb'24 (INR 190bn opportunity).

However, given the fact that the big stations (in terms of size) for redevelopment have been awarded in the past 2–3 years, we expect limited opportunity ahead.

Exhibit 28: Status of station redevelopment sites



Source: I-Sec research, PIB

Over the past 2–3 years, several station-redevelopment projects have been awarded, with companies such as Ahluwalia Contracts and HG Infra securing contracts from IR. We expect this momentum to sustain going forward for stations that are yet to be awarded.

Exhibit 29: Awarded major station redevelopment contracts

Station Redevelopment	Awardee	Project Cost (INR bn)	Awarded Year
New Delhi	HG Infra-DEC Infra JV	22	2025
Ahmedabad	Infracon-DMRC JV	24	2023
CSMT	Ahluwalia contracts	25	2023
Chennai	DEC Infra	7	2022
Kanpur	HG Infra	7	2023

Source: I-Sec research, Company Data, The Metro rail guy

HSR projects under planning; implementation, a concern

GoI has planned the development of HSR corridors and identified eight corridors for constructing HSR projects, of which the Mumbai–Ahmedabad corridor is under construction. Detailed project report (DPR) of the remaining projects is under preparation.

~INR 15trn worth of HSR projects are in the discussion stage. Given the size of the projects, complexities, elevated costs overruns and sluggish approvals, implementation remains a key concern.

Exhibit 30: HSR projects – status

Particular	Details	Km	Estimated project cost (INR trn)
Under construction	Mumbai – Ahmedabad	465	1.1
Total under construction		**465**	**1.1**
In discussion	Chennai-Mysore	463	1.3*
	Mumbai-Nagpur	741	2.1*
	Delhi-Ahmedabad	886	2.5*
	Delhi-Varanasi	865	2.4*
	Varanasi-Howrah	760	2.1*
	Mumbai-Hyderabad	767	2.1*
	Delhi-Amritsar	465	1.3*
Total in discussion		**4,947**	**13.8***
Total HSR projects		**5,412**	**14.9***

Source: I-Sec research, The Metro Rail Guy

*I-Sec estimates

Exhibit 31: Mumbai–Ahmedabad HSR – details

Civil package	Winner	Other bidders	Km	Project cost (INR mn)	Cost per Km
C1: Station	Megha-HCC JV	Afcons, L&T, J Kumar	1	36,810	35,738
C2: Underground Tunnel	Afcons	L&T	20	63,973	3,139
C3: Elevated Line	L&T	NCC-J Kumar JV, Afcons-KPTL JV, Dinesh Chandara-DMRC JV	135	1,56,970	1,163
C4: Elevated Line	L&T	Tata Projects-J Kumar JV, Afcons-Ircon-JMC Projects JV	237	2,49,852	1,054
C5: Station and Elevated Line	L&T	GR Infra-Sadhav JV	8	24,609	3,002
C6: Elevated Line	L&T	Tata Projects-J Kumar-NCC JV, Afcons-Ircon-JMC JV	88	72,890	832
C7: Elevated Line	Ircon-Dinesh Chandra JV	Afcons, L&T, Dilip Buildcon-Ranjit Buildcon-SAM India JV	18	34,290	1,891
C8: Depot	SCC-VRS JV	Montecarlo Ltd	2	3,072	1,444
Total			**509**	**6,42,466**	

Source: I-Sec research, The Metro Rail Guy

Three more DFCs under discussion

GoI has foreseen development of DFCs and has almost completed (96%) its existing projects of Eastern and Western DFCs (expected to be completed in FY26E). Further, the government has been in discussions to construct three additional DFCs in India.

Exhibit 32: DFC – details

Particulars	Status	Km	Project cost (INR bn)
Eastern DFC	Completed	1,337	1,240
Western DFC	96% Completed	1,506	
Total executed		**2,843**	**1,240**
East Coast Corridor	Under discussion	1,080	471*
East West Corridor	Under discussion	1,738	758*
North-South Corridor	Under discussion	890	388*
Total under discussion		**3,708**	**1,617**
Total		**6,551**	**2,857**

Source: I-Sec research, DFCCIL *I-Sec Estimates

~INR 1.6trn worth of DFC projects are under the discussion stage, under which construction of infrastructure would play a significant role.

L&T has previously received orders for civil construction and track building orders for constructing eastern and western DFCs. We expect the upcoming DFCs to come up in the next 3–5 years and private participation shall play a vital role in its construction.

Exhibit 33: Big EPC projects awarded in last two years

Date	Description	Awarder	Awardee	Value (INR bn)
Apr-24	Ircon International in JV with Dineshchandra R. Agrawal Infracon bagged a contract for Kottavalasa-Koraput Doubling Project	East Coast Railway	Ircon International	12
Apr-24	Composite contract package in connection with New BG Double Railway Line of HORC project	HRIDCL	Dilip Buildcon	11
Apr-24	Construction of new BG line	Central Railway	GPT Infraprojects	5
Apr-24	Doubling of track on EPC basis	South Central Railway	RVNL	4
Apr-24	Redevelopment of Thiruvananthapuram Central Railway Station on EPC basis.	Southern Railway	KRDCL-RVNL	4
May-23	Construction of tunnelling works including testing and commissioning for double line HSR	NHSRCL	Afcons Infrastructure	64
Apr-23	Re-development of Chhatrapati Shivaji Maharaj Terminus (CSMT) Station	RLDA	Ahluwalia Contracts	25
Dec-23	Design and construction of elevated structure	RIDCL	Larsen & Toubro	10
Sep-23	Construction of tunnels T17 to T20	RVNL	Max Infra (I)	8
Apr-23	Design and construction of civil works (earthwork, bridges, station buildings, retaining walls and other miscellaneous works)	HRIDCL	PNC Infratech	8
Total				**151**

Source: I-Sec research, Project today

Exhibit 34: Upcoming mainline railway projects

Project Name	Project Type	Estimated project cost (INR bn)	Size (Kms)
Bilaspur-Manali - Ladakh (Leh) Rail Project	Mainline	953	489
Thiruvananthapuram - Kasaragod Semi HSR Line (Silver Line)	Mainline	712	530
Delhi - Rewari - Alwar Regional Rapid Transit Line	Commuter Rail	383	164
Delhi - Haryana (Sonepat - Panipat) Regional Rapid Transit Line	Commuter Rail	247	103
Pune - Nashik semi-HSR Line Project, Maharashtra	Mainline	179	235
CSMT - Panvel Elevated Rail Corridor, Maharashtra	Other	157	55
Indore - Manmad Railway Line	Mainline	118	362
Total		**2,748**	**1,938**

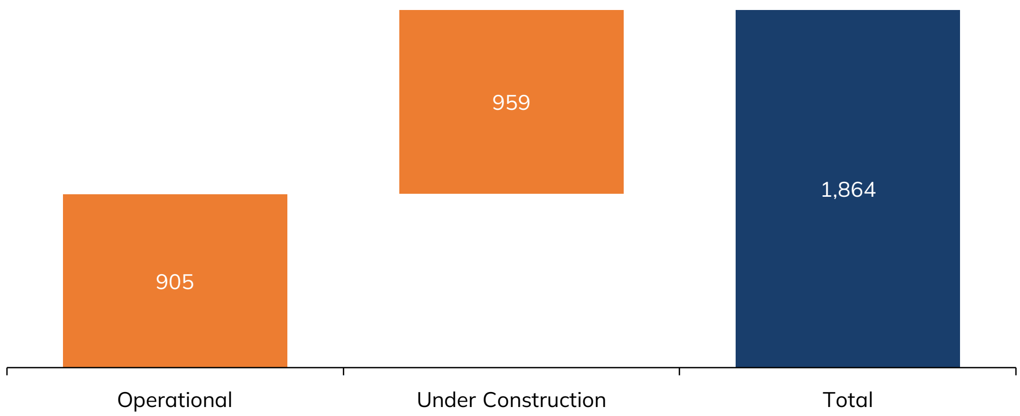
Source: I-Sec research, Indian Infrastructure Magazine

Metro offers attractive opportunity

- **India is building metros with rapid pace. The metros are being built to provide for inter-City transportation**
- **India has expanded metro in 18 cities and is looking to expand the existing metro and building metros in new cities**
- **Metros are essentially civil projects with cost of civil constituting approximately 50-60% of the total project cost.**
- **We estimate total EPC opportunities to be ~INR 150bn per year, with players such as Afcons, L&T, NCC, Ceigall, HG Infra participating in the bids.**

India's metro network is steadily expanding its reach with 905kms already operational and 959kms under construction. With nearly half of the total network still in the works, it seems India is committed to redefining urban mobility.

Exhibit 35: Status of metro rail network in India (km)



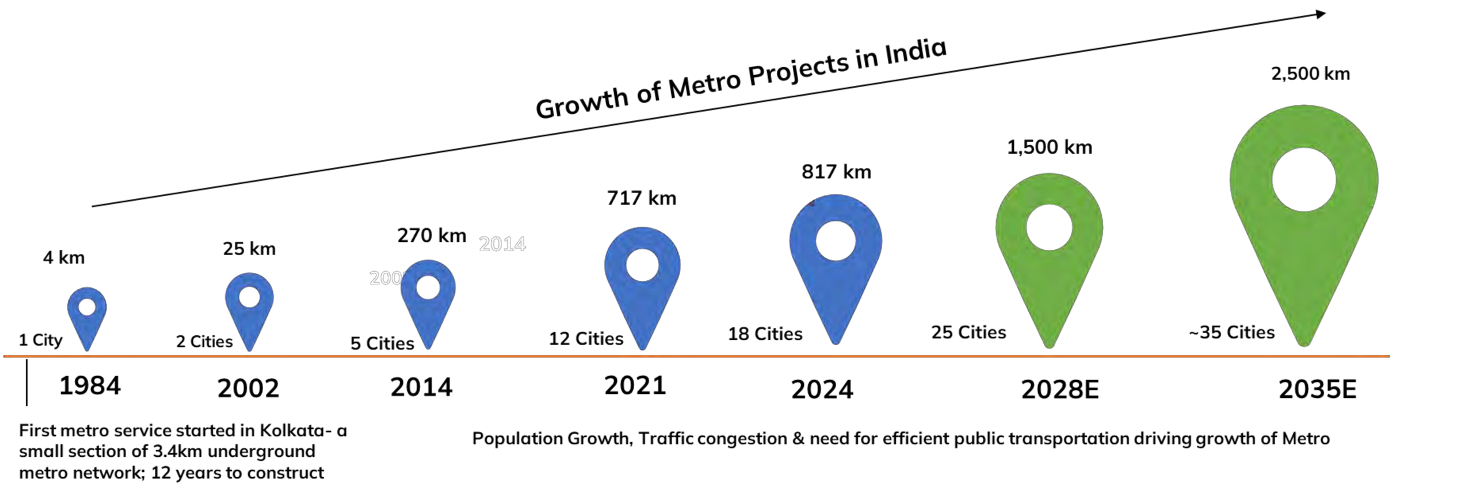
Source: I-Sec research, Ministry of Housing & Urban Affairs

As of February, 2024

Expansion of Metro Rail Network in India

Metro projects have seen sluggish growth until 2014, wherein it was present across only 5 cities. Since 2014, the metro rail has spread across the country and now is operational in 18 cities.

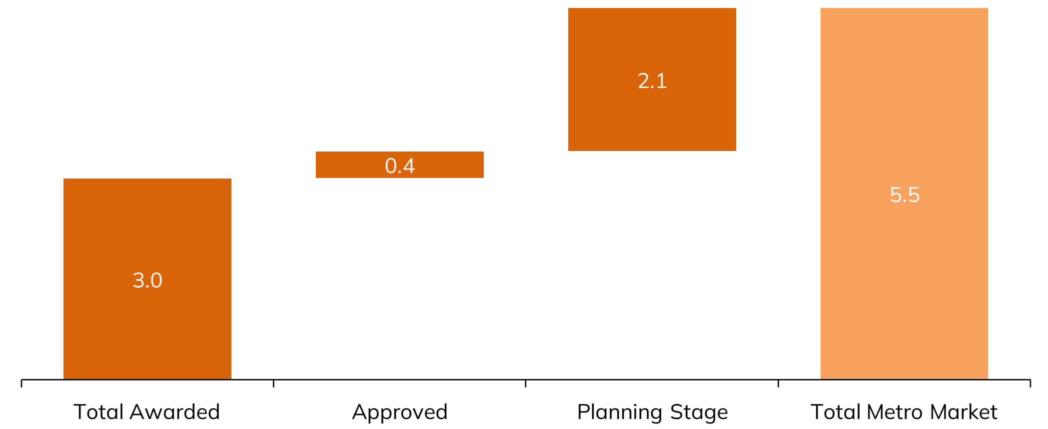
Exhibit 36: Growth of metro in India



Source: I-Sec research, PIB

With burgeoning traffic and population in urban centres, more cities have been looking to establish metro rail networks as an efficient and easy mode of transportation.

Exhibit 37: Large pipeline of projects (INR trn)



Source: I-Sec research, Company Data

India's metro rail projects showcase a significant pipeline of development, covering various stages from planning to completion. Completed projects account for INR 1.9trn, while INR 4.1trn worth of work is currently under construction.

Total available opportunity at this stage is worth INR 2.5trn. This reflects India's steady efforts to enhance urban mobility and infrastructure through sustained investment in metro rail development.

Exhibit 38: Near term opportunities

			TAM	
City (in Kms)	**Operational**	**Under Construction**	**Approved**	**Proposed**
Agra Metro		12		18
Bangalore Metro	69	104		106
Bhopal Metro		6	22	77
Chennai Metro	54	103	16	15
Delhi Metro	351		65	57
Gurgaon (Gurugram) Metro	12		29	170
Hyderabad Metro	67		68	
Indore Metro		16	15	57
Jaipur Metro	12			28
Kanpur Metro	9	15	9	
Kochi Metro	27	1	11	
Kolkata Metro	48	48		45
Lucknow Metro	23			85
Meerut Metro		20		15
Mumbai Metro	47	134	21	136
Nagpur Metro	38		48	
Navi Mumbai Metro		11		95
Noida Metro	30		15	70
Patna Metro		22	9	
Pune Metro	10	44	4	26
Surat Metro		42		

Source: I-Sec research, Company Data, PIB, The Metro Rail Guy

Nagpur metro cost breakup

Exhibit 39: Nagpur metro phase-2 (43 km elevated project) – cost breakup

Particulars	INR mn	%	Cost INR mn/Km
Civil	46,150	59%	1,073
Other cost	32,516	41%	756
Total	**78,666**	**100%**	**1,829**

Source: I-Sec research, MMRCL

EPC opportunity ranges from 60-70% of the total project cost

Exhibit 40: Total approved projects – a near-term opportunity

Particulars	Approved Project Cost (INR bn)	Km	EPC Opportunity (INR bn)
Ahmedabad- Dholera – Monorail project	60	100	36
Hyderabad- Phase II	91	31	55
Thane Integral Ring	122	29	73
Lucknow- Phase II	58	11	35
Meenambakkam- Kilambakkam	46	15	28
Pune Extension- Phase II	30	5	18
Total Approved Projects	**407**	**192**	**244**

Source: I-Sec research, Company Data, PIB, The Metro Rail Guy

Exhibit 41: Metro projects at planning stage – mid to long-term opportunity

Planning Stage Project	Project Cost (INR bn) *	Distance (km)	EPC Opportunity (INR bn)
Dehradun- Haridwar- Rishikesh	402	73	241
Mumbai Metro Line 11 (Wadala-CSMT)	87	13	52
Poonamalle-Parandur Metro	109	44	65
Bengaluru Metro, Phase 3	156	45	94
Hyderabad-Phase III	600	278	360
Gurgaon-Manesar-Bawal	92	82	55
Madurai Metro	114	32	68
Koyambedu-Mogappair-Avadi	65	16	39
Hyderabad Airport Express	64	31	38
Thiruvananthapuram Light Metro	54	23	32
Jaipur-Phase II	52	23	31
Pune High Capacity	51	36	31
Bengaluru - Phase 3 extension	156	45	94
Pune extension project	46	5	28
Faridabad-Palwal	44	24	26
Mumbai Metro Line 3 Extension	23	2.5	14
Dwarka Sector 21 - IFFCO chowk	52	13	31
Noida Metro Aqua	30	17	18
IGI Airport Inter terminal air train	25	8	15
Palam Vihar- Dwarka Sector 21	24	7	14
Total	**2,246**	**818**	**1,348**

Source: I-Sec research, Company Data, PIB, The Metro Rail Guy

Exhibit 42: Private players participation in metro works

Metro	EPC opportunity	Bid winners	Other bidders
Mumbai Metro Line 2	39bn	J Kumar Infra, NCC, Alhuwalia	L&T, Afcons, Capacite, Man Infra
Lucknow Metro	28bn	L&T, Tata – Gülermak JV	ITD Cementation, Afcons, Simplex, NCC
Nagpur Metro Line 2	33bn	RUVNL, GR Infra, Kalpataru	Kalpataru, Dilip Buildcon, NCC, Tata Projects, ITD
Kochi Metro Line 2	11bn	Afcons	KEC, Sadbhav, RVNL

Source: I-Sec research, The Metro Rail Guy, Company Data

EPC players in metro

Afcons, L&T, Tata Projects bid for complex projects such as underground metro giving it an edge over other players who do not have execution expertise in complex projects. Other EPC work sees higher competition with the participation of companies such as GR, KNR, NCC, J. Kumar, KEC and Kalpataru. We estimate a yearly opportunity of INR 150bn–200bn.

Exhibit 43: Recent projects awarded in metro vertical

Year	Authority	Awardee	INR bn
YTD FY25			
Mumbai Metro Line-12	Mumbai Metropolitan Region Devp. Authority	Gawar Construction	20
Agra Metro	Uttar Pradesh Metro Rail Corpn. Ltd.	Larsen & Toubro	12
Kochi Metro	Kochi Metro Rail Ltd.	Afcons Infrastructure	11
Bhopal Metro	Madhya Pradesh Metro Rail Co. Ltd.	Afcons Infrastructure	10
Nagpur Metro Phase 2	Maharashtra Metro Rail Corpn. Ltd.	G R Infraprojects	9
Bhubaneswar Metro Phase-I	Delhi Metro Rail Corpn. Ltd.	Ceigall India	9
Total			**72**
FY24			
Kolkata Metro Line-3	Rail Vikas Nigam Ltd.	Larsen & Toubro	24
Chennai Metro Phase -II	Chennai Metro Rail Ltd.	Rail Vikas Nigam	17
Chennai Metro Phase -II	Chennai Metro Rail Ltd.	Rail Vikas Nigam	15
Chennai Metro Phase -II	Chennai Metro Rail Ltd.	Dineshchandra R. Agrawal Infracon	11
Mumbai Metro Line-4	Mumbai Metropolitan Region Devp. Authority	SEW Infrastructure	9
Chennai Metro Phase -II	Chennai Metro Rail Ltd.	Rail Vikas Nigam	9
Bhopal Metro	Madhya Pradesh Metro Rail Co. Ltd.	Kalpataru Projects International	8
Kanpur Metro	Uttar Pradesh Metro Rail Corpn. Ltd.	GULERMAK	8
Jaipur Metro	Jaipur Metro Rail Corporation Ltd.	Afcons Infrastructure	6
Total			**106**

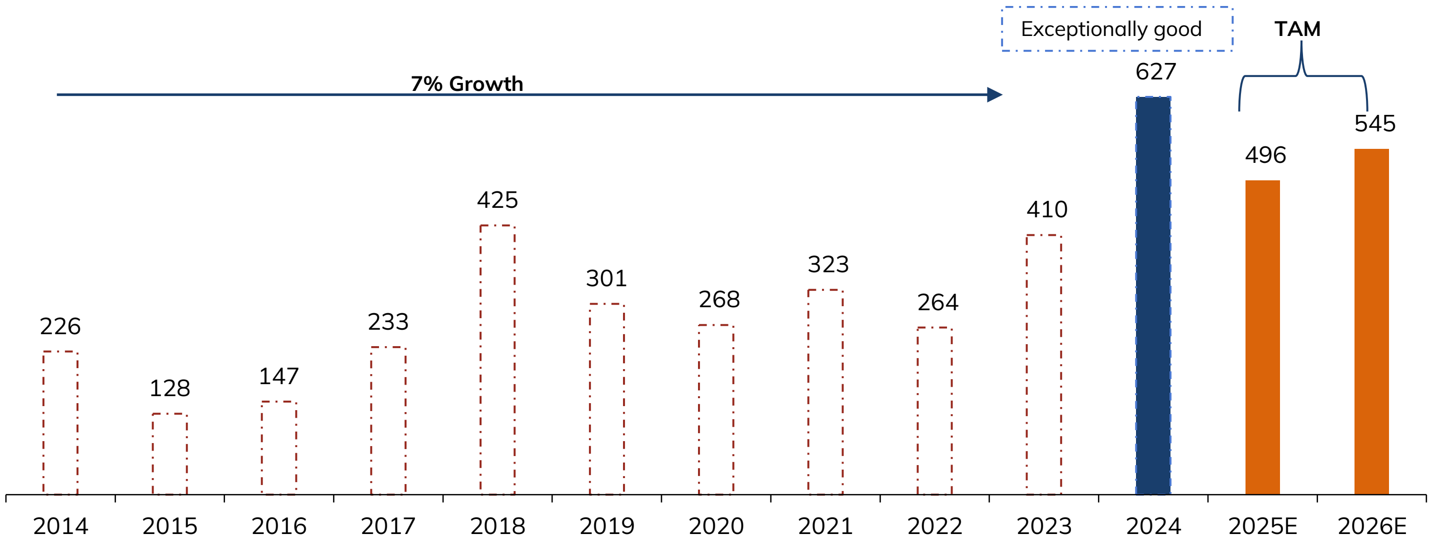
Source: I-Sec research, Project today

Buildings – another heavyweight opportunity

- **India's building construction industry faced a significant impact in FY21 due to Covid-19 pandemic. From FY22, the sector has started rising to pre-Covid-19 levels – creating a high base for FY23.**
- **The increase in budgetary allocations for the PMAY scheme and announcements by state governments of stamp duty cuts has further helped the sector jump back to pre-Covid-19 levels.**
- **Investments in the residential segment are bolstered by the increasing demand for residential real estate, complemented by the availability of new projects.**
- **We believe, the buildings segments provide INR 600bn worth of EPC opportunity every year, and we expect the segment to further grow by ~8% over the years.**
- **L&T, NCC, Ahluwalia are likely going to be the key beneficiary of the TAM.**

Buildings sector comprises of housing, offices, factories, hospitals, stadiums, and educational institutions, among others. These opportunities come from both government and private clients. Furthermore, many of these opportunities emerge at the state or local levels and are, therefore, not captured in the budgetary allocations of the Centre.

Exhibit 44: Building order awarding by central and state governments (INR bn)



Source: I-Sec research, Project Today

Includes tender awarded by State government and central government

Residential segment offers maximum opportunity

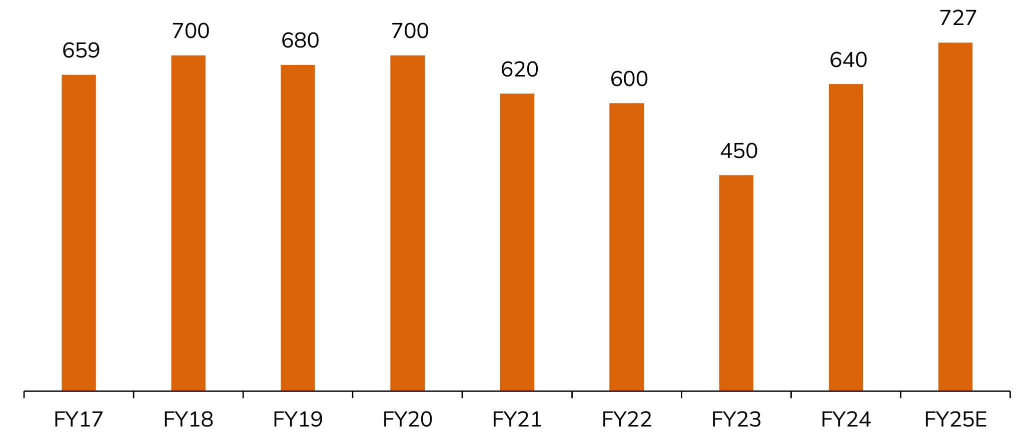
Between FY19–23, building construction industry has seen an investment of ~INR 12.45trn, driven by rise in urbanisation, growth in employment, stabilization of income of the organised workforce, preference of larger homes and government incentives for affordable housing. Of the overall investments, during the aforementioned period, investments in residential was at 88%, while the rest is occupied by commercial and social segment.

We estimate this opportunity to grow 1.3x between FY24–28, translating into a yearly opportunity of ~INR 3trn.

Opportunity in public sector

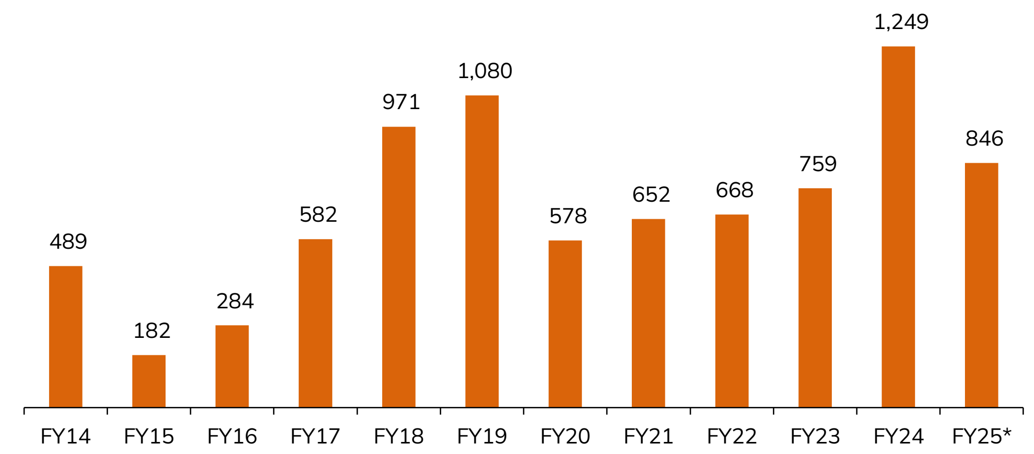
NBCC, a government owned enterprise undertakes PMC projects for civil and industrial infra projects for the government and public sector clients. Under the arrangement, projects are awarded by government on a nomination basis to NBCC, which further assigns the projects to third-party contractors.

Exhibit 45: NBCC's OB (INR bn)



Source: I-Sec research, Company data

Exhibit 46: Building tender floated by central government (INR bn)



Source: I-Sec research, Project Today

*up to Dec-24

Exhibit 47: NBCC India – recent awarding (INR bn)

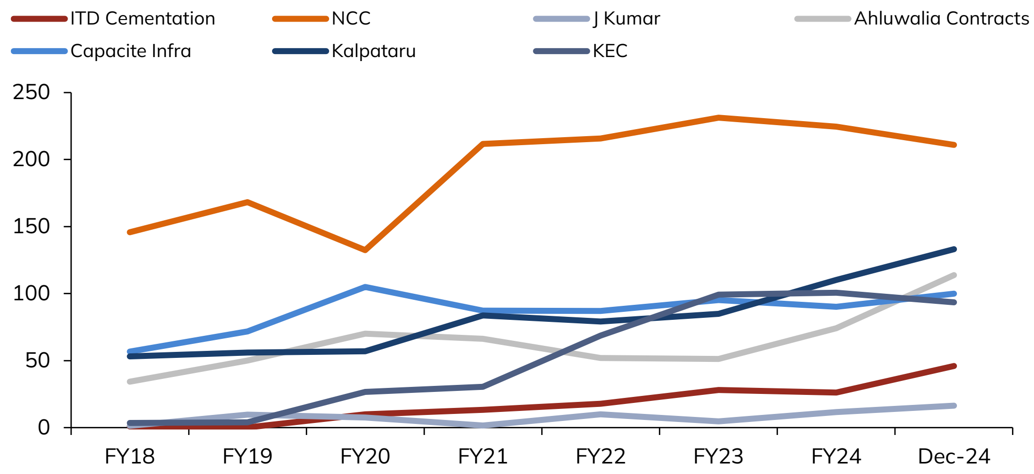
Particulars	Awardee	Contract Value (INR bn)
Leisure Valley Phase-II	DEC Infra	22
Golf Homes Phase-II	Varindera	21
Centurian Park Phase-III	Girdhari Lal	19
Silicon City Phase-IV	J Kumar	11
Leisure Valley Phase-III	KPC Projects	8
Hari Nagar Colony	J Kumar	6
Total		**87**

Source: I-Sec research, NBCC India

OB of building EPC players

- Building construction contracts are generally small in size on a relative basis with less than INR 5bn of EPC opportunity and gains a lot of competition.
- As the order size crosses INR 5bn, the competitive intensity reduces as the complexity of the project increases along with the qualification requirements.
- Building construction being a complex EPC opportunity, attracts a limited numbers of players for big ticket orders majorly companies such as J Kumar Infra, NCC, ITD Cementation, Ahluwalia, Capacite, etc.

Exhibit 48: Building segment OB of EPC players (INR bn)



Source: I-Sec research, Company Data

Exhibit 49: Recently opened tenders with project value >INR 4bn

Issuer Name	Tender	Project Value (INR bn)
CPWD	Construction of Hospital	9
APCRDA	Completion of Balance work	5
APCRDA	Completion of Balance work	5
ADA	Construction in Atal Puram Township	4
APCRDA	Construction of Bungalows	4
NBCC	Construction of Various Buildings at Central University of Odisha	4
NMRDA	Construction of Hospital	4
APCRDA	Construction of Bungalows	4
	Other Tender	15
Total		**53**

Source: I-Sec research, Project Today

CPWD- Central Public Works Department

APCRDA- AP Capital Region Development Authority

ADA- Agra Development Authority

NMRDA- Nagpur Metropolitan Region Development Authority

INR 500bn–600bn opportunity every year

- Historically, the building order tendering has grown at a CAGR of 10% over CY14-23, however, tender awarding has been exceptionally better in CY24 with INR 627bn of orders being awarded on account of higher real estate activity.
- We further expect a growth rate of 9-10% to continue going forward creating an opportunity of INR 600bn by coming FY26E which would benefit NCC, Ahluwalia, L&T.

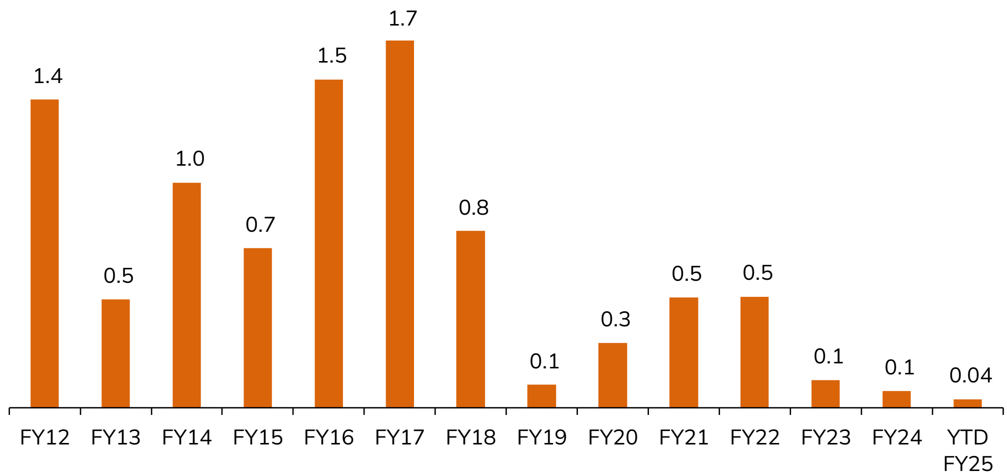
Hydropower – slow growing market

- **India's hydropower capacity has crawled with just 9.4GW added in the last decade, averaging a meagre 1.7% CAGR—talk about a sluggish stream!**
- **The tide is turning, with the sector projected to grow at an 8% CAGR from FY24 to FY27, reaching 55GW, and a target of 61GW by FY32—it's a slow, steady rise ahead.**
- **With 14GW of hydro plants under construction and another 19GW approved, the EPC market is primed for a potential INR 1.5trn opportunity in the coming years—get ready for a construction surge!**
- **GoI is paddling hard with INR 125bn in budgetary support to accelerate hydro projects and woo private players into the sector—financial currents are flowing.**
- **Patel Engineering holds a substantial market share in ongoing projects, while HCC's hydro awards have dried up post-2018—it's time for a new wave of players to step up.**
    - o India has the fifth-largest installed hydroelectric power capacity in the world. India's installed utility-scale hydroelectric capacity was 47 GW as of October 2024, accounting for 10% of the country's total power generating capacity. We expect awarding to pick up amounting to INR 150-200bn of ordering p.a. going forward with players like L&T, Afcons, to be key beneficiaries of this opportunity.

A slow flow

For more than a decade India has only added 9.4 GW of hydropower capacity, representing a CAGR of a mere 1.7%. The sector has been suffering from project delays caused by complex planning procedures, land acquisition & settlement problems, long-term financing, etc. The government has been providing support to hydro power with the help of budgetary support towards the cost of enabling infrastructure to encourage private sector participation.

Exhibit 50: Historically, hydropower installation has seen a 1.7% CAGR (GW)

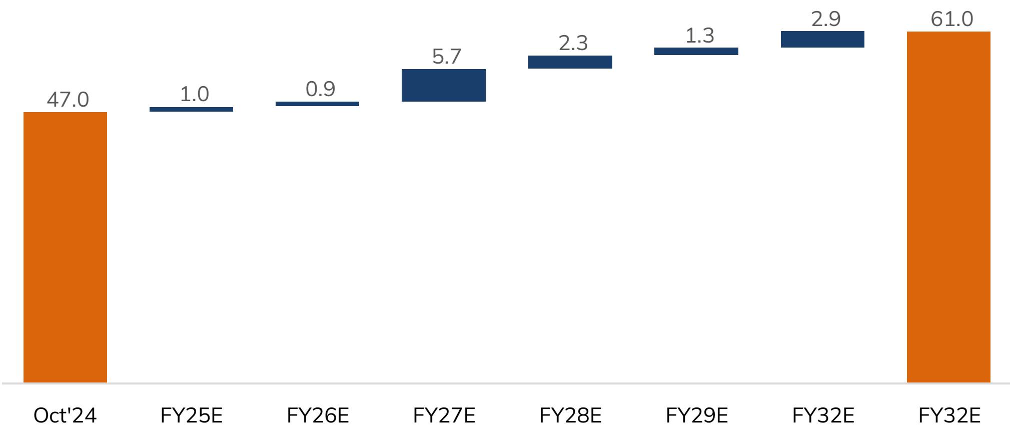


Source: I-Sec research, CEA

A steady rise in flow ahead

As per CEA, the hydropower capacity is estimated to grow at a CAGR of 8% over FY24-FY27E, reaching 55 GW while in FY32, the installed capacity is estimated to reach 61 GW.

Exhibit 51: Hydropower projections (GW)



Source: I-Sec research, CEA

Hydropower EPC opportunity

Currently, there are ~14GW (across 28 project sites) of hydro power plants under construction in India.

There are roughly 19GW of hydroelectric power projects that have been approved by CEA but have not yet been put into construction. Whereas another 18 GW HEP projects are in the survey and investigation stage as of Aug'24.

Further, the Cabinet has approved funds of INR 125bn (cumulatively for the gen. capacity of 31GW) as a budgetary support for the cost to enable infrastructure of Hydroelectric projects in Sep'24.

Exhibit 52: Fund requirement for generation projects (mode-wise) during 2027–32 (INR mn)

	FY28	FY29	FY30	FY31	FY32	Total
Hydro	299,000	333,070	316,390	240,100	109,210	1,297,770

Source: I-Sec research, CEA

Estimated cost of hydropower

Hydro power projects involve major work of civil construction. The total cost of building a hydro stand at ~INR 80–200mn per MW. Out of which, we estimate ~INR 60mn (~40%) per MW is the Engineering, Procurement and Construction work.

Exhibit 53: Cost breakup for Parbati-III Hydro Power plant (520 MW)

Particulars	Project Cost (INR mn)	Cost per MW (INR mn/MW)	%
Civil Work	10,386	20	41%
E&M	9,038	17	36%
IDC	5,962	11	23%
Total	**25,386**	**49**	**100%**

Source: I-Sec research

Note that the Hydro Power plant was commissioned in year 2014

Based on our above projected installed capacity addition, the total addressable market for constructing a hydropower project system could be ~INR 1.5trn over FY26E-32E.

Exhibit 54: Medium term upcoming EPC opportunity

Particulars	Proposed Capacity (MW)	Estimated Civil Cost (INR bn)
Duggar plant	449	27
Dibang plant	2,880	173
Etanil plant	3,098	186
Attunli plant	680	41
Kwar plant	540	32
Total	**7,647**	**459**

Source: I-Sec research

EPC opportunity for players

- Patel Engineering has a substantial market share in under construction hydro power plants in India.
- HCC has previously been awarded various EPC work of Hydro power plants until 2018-19. However, we have not seen any major awarding to HCC post then.
- We expect awarding to pick up amounting to INR 150-200bn of ordering p.a. going forward
- We expect L&T, Afcons to be key beneficiaries of this opportunity.

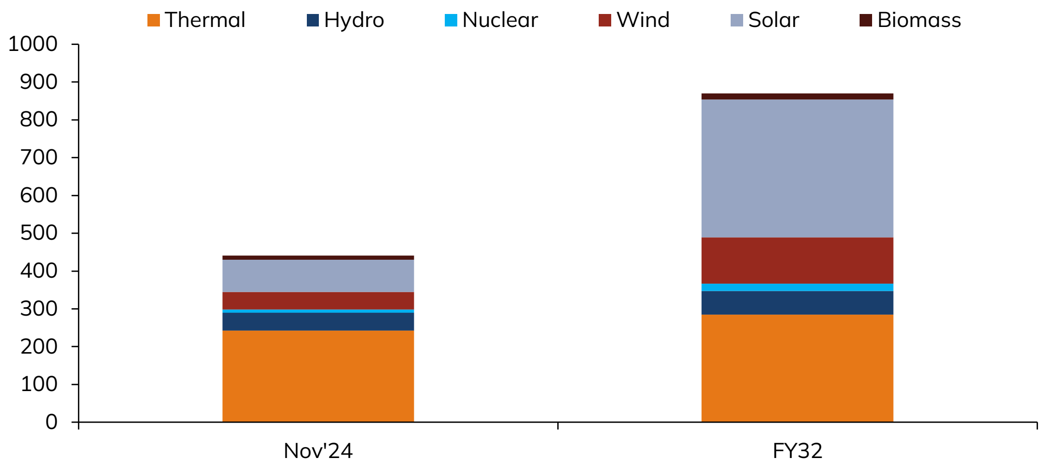
Pumped storage plants: A new EPC frontier

- **India is aiming to develop 47GW of pumped storage by FY32. With rising renewables in the grid, cheap storage solutions are in demand.**
- **Pumped storage are the cheapest storage solutions.**
- **The projects are getting identified and the project are moving from concept to reality. We expect awarding for pumped storage projects to pick up from H2FY25E onwards**
- **Civil works constitute 70-80% of the total cost. Assuming a 4-5GW p.a. and cost of INR 60-70mn per MW cost, we expect awarding of INR 400 bn p.a.**
- **Very few players have the scale and size to execute large hydro project. We expect larger EPC players to benefit from the addressable opportunity**

Rise in renewable energy (RE) – necessitating energy storage systems

RE capacity is poised to increase to 500GW by FY32 from the current level of ~200GW. Given the variable nature of RE due to sudden change in weather condition associated with wind and solar energy, energy storage system is the solution to it.

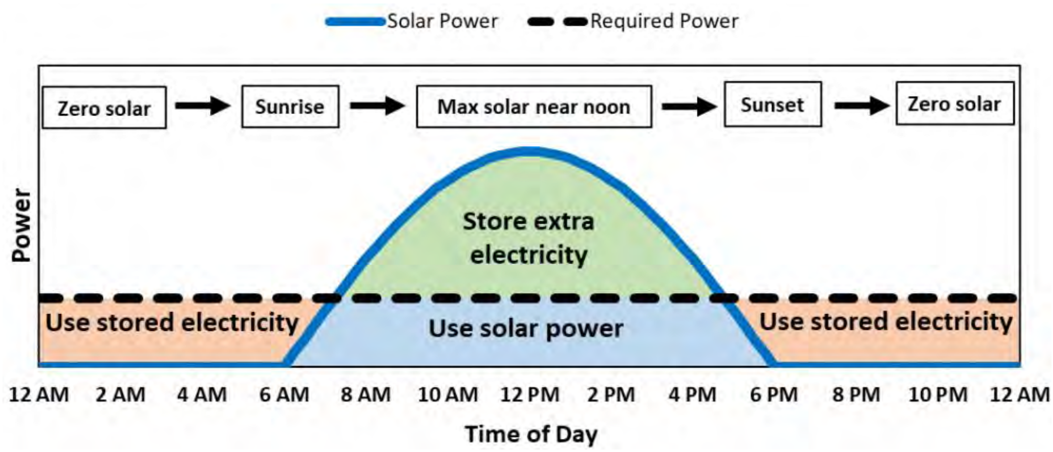
Exhibit 55: RE to lead capacity increase



Source: I-Sec research, CEA, NEP

Achieving such a high level of RE share would require development of energy storage systems (ESS) to manage the intermittency associated with wind and solar power.

Exhibit 56: RE-led need for energy storage



Source: I-Sec research

The ESS is currently mainly driven by Battery Energy Storage Systems (BESS) and Pumped Hydro Storage Projects (PSP).

PSP – today's preferred solution

PSP has a larger lifespan (5x battery storage) and a higher output with a lower capex compares to battery storage. The levelized cost from PSP comes to be ~INR 5 per unit, whereas the levelized cost from BESS comes to be INR 6-7 per unit. Thus, at present, especially if one has to provide storage for longer durations, PSP is preferable from a cost standpoint.

Exhibit 57: Difference between pumped and energy storage

Energy Storage System

	Pumped hydro storage	Battery energy storage
Lifespan	40+ years	~8 years
Output	8 hours/day, ~1.5 cycles/day. Products active and reactive power	2-4 hours discharge cycle Produces only active power
Power setup	High Gestation period Potential exist in specific remote locations	Low Gestation period Can be set up anywhere with low space requirement
Tariff & Costs	Tariff- INR 5/unit; Limited cost of storage Capex- INR 10 mn/MWh	Tariff- INR 6-7/unit; High cost of storage + replacement capex Capex- INR 15-17 mn/MWh

Source: I-Sec research, IEA, Company Data, CEA

Exhibit 58: Details of operational PSP

Projects	Developer	State	Capacity (MW)
Ghatgarh	MAHAGENCO	Maharashtra	250
Bhira	Tata Power Company	Maharashtra	150
N J Sagar	TSGENCO	Telangana	706
Srisailam LBPH	TSGENCO	Telangana	900
Kadamparai	TANGEDCO	Tamil Nadu	400
Purulia	WBSEDCL	West Bengal	900
Kadana#	GSECL	Gujarat	240
Sardar Sarovar RBPH#	SSNNL	Gujarat	1,200
Total			**4,745**

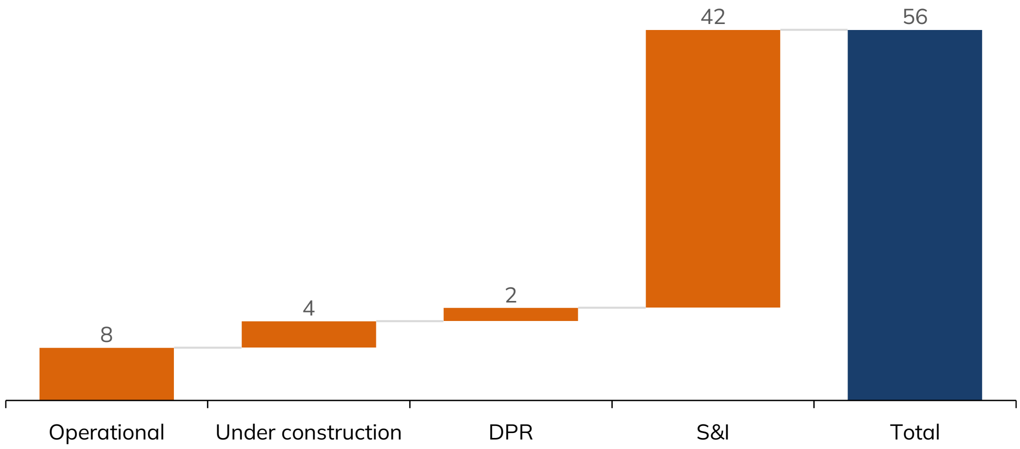
Source: I-Sec research, CEA

*Non-Operational plants on account of technical and non-technical reasons

Government targets for PSP

Currently, the operational pumped storage power capacity stands at 4.7GW. Given the higher renewables in the mix, storages are becoming an essential part for maintaining consistent power supply. The Ministry of Power looks forward to a potential of 182GW of PSPs across off-river and on-river sites in India. As per CEA, India is looking to add 47GW of pumped storage power by FY32.

Exhibit 59: Status of development of pumped storage in India (GW)



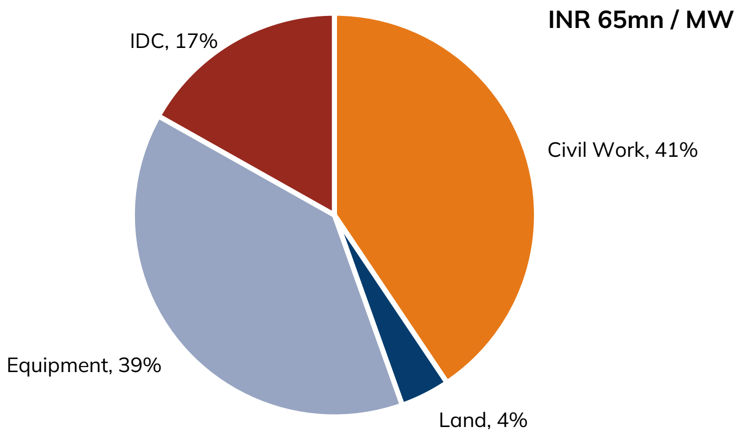
Source: I-Sec research, CEA

*As of Feb-24

Cost of PSP

PSPs are essentially civil projects. The total cost of building a PSP stands at ~INR 60-70mn per MW. Out of which, we estimate ~INR 45mn per MW (70-80% of the total cost per MW) is the EPC work.

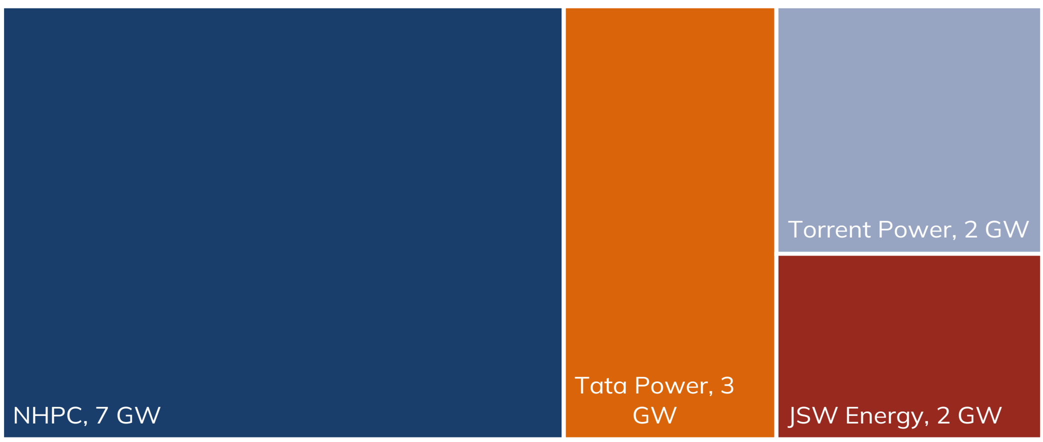
Exhibit 60: Cost breakup of PSP



Source: I-Sec research

Major players bidding for PSP

Exhibit 61: Number of developers working on PSP



Source: I-Sec research, Company Data

Further, Megha Engineering has signed MoU with Maharashtra's government to develop two PSP capacity with a total capacity of 4GW. Projects of 8.4GW are under the planning stage in the states of Maharashtra and Uttar Pradesh.

EPC opportunity for players

We estimate an EPC opportunity of ~INR 400bn per year, with players such as Afcons, Patel Engineering, Tata Projects, ITD Cementation, NCC having a potential of being a key beneficiary of this opportunity.

River interlinking: Initial set of tenders floated

- **Work on interlinking of rivers has commenced. Initial set of tenders have been floated. India has identified 30 projects in interlinking. Out of which, work on Ken-Betwa link has commenced.**
- **NCC has received the first order worth INR 34bn. We expect ordering to pick up further in FY26E and FY27E.**
- **Note that Indian government has budgeted INR 24bn expenditure in FY26E. We expect various EPC players including L&T & Afcons to be key beneficiary.**

River interlinking has faced persistent delays in the past. However, with the recent award of the Ken-Betwa project, we expect a few more projects to come up for bidding. We estimate EPC opportunity of INR 100bn p.a.

Persistent delays

Interlinking of rivers in India is at very preliminary stages and all the projects under this scheme are at the planning stage. The planning for the projects has been ongoing for over a decade; however, no execution has happened over the years due to delays in various bureaucratic approvals.

Near-term EPC opportunity

The concerned authority has identified four priority projects for early implementation, which would create an EPC opportunity of INR 3trn over the next 5–6 years.

We estimate, interlinking of rivers to offer an EPC opportunity worth INR 800bn over the next four years. Such EPC opportunity is expected to bid out under the HAM model, ensuring equal equity interest within the project.

Exhibit 62: EPC opportunity for priority projects

Priority Projects	Distance (km)	EPC opportunity (INR bn)
Ken-Betwa	230	446
Damanganga Pinjal Link	43	83
Par-Tapi-Narmada	395	766
Mahanadi-Godavari link	828	1,606
Total	**1,496**	**2,901**

Source: I-Sec research

Implementation started with Ken-Betwa

Ken-Betwa link project (230kms) is the first link project that is undergoing construction under the scheme. NCC has emerged as a L1 bidder for EPC work for Daudhan dam under the Ken- Betwa project with the quoted project cost of INR 34bn, which is to be implemented over six years.

Exhibit 63: Ken-Betwa link approved cost

Particulars	INR bn	km	Cost per km
Ken-Betwa	446.1	230	1.9

Source: I-Sec research

Further, we expect traction in the interlinking projects in the states of Madhya Pradesh and Rajasthan, as a lot of projects are in advanced stages of discussion over there.

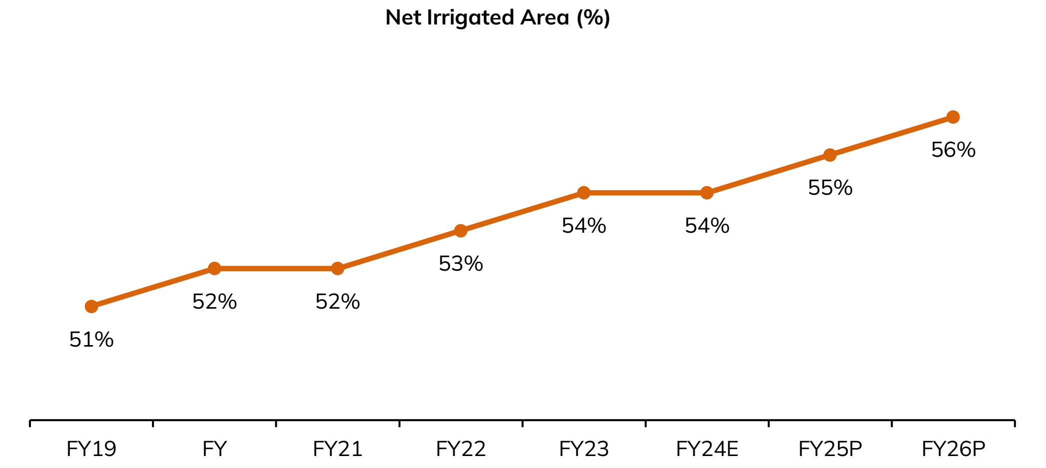
We expect Afcons and NCC to likely benefit from upcoming projects in this segment.

Irrigation

- **Irrigation area coverage has increased to ~55% of the net sown area and still has a long way to go**
- **Tenders are floated by respective state governments, mostly in HAM mode of awarding**
- **Companies having an irrigation vertical are NCC, KNR, Afcons, ITD Cementation, Megha, PNC Infra**
- **Near term opportunity in this sector amounts to INR 100bn**

The demand for irrigation infrastructure is driven by the need to enhance agricultural productivity, support rural livelihoods and ensure food security. Despite significant agricultural activity, many regions in India still rely on unpredictable monsoons due to low irrigation levels. Limited water resources further necessitate resilient irrigation systems.

Exhibit 64: Net irrigated area (%)



Source: I-Sec research, PIB

Exhibit 65: Type of projects and key clientele in the sector

Segment	Type of project	Clientele
Irrigation	Construction of dams, barrages, canals, lift irrigation, micro irrigation and tunnelling	Most of the tenders for the development of irrigation and water projects are given out by respective state government departments.
Water supply	Intake facilities, storage reservoirs, distribution systems, treatment plants, laying of pipelines, rainwater harvesting,	

Source: I-Sec research

Water resources is a state subject. Hence, state governments are responsible for regulating the use of water.

Under irrigation there are three types of projects – major, medium and minor, based on the cultivable command area they cover. Major and medium irrigation projects mostly comprise dams, canals and lift irrigation schemes, most of which are of size >INR 2bn.

Exhibit 66: Overview of irrigation spending by key states in India

State	FY23	FY24RE	FY25BE	FY25BE vs FY24RE (% change)
Assam	25	30	39	30%
Bihar	40	60	54	-9%
Gujarat	78	130	174	34%
Haryana	46	49	63	30%
Himachal Pradesh	8	10	14	46%
Karnataka	231	191	192	1%
Punjab	21	22	21	-3%
Tamil Nadu	63	72	78	9%
Uttar Pradesh	123	198	228	16%
Uttarakhand	9	11	22	103%
Chhattisgarh	17	26	29	12%
Jharkhand	18	18	22	23%
Kerela	10	11	12	13%
Meghalaya	1	2	2	6%
Mizoram	0	1	1	3%
Nagaland	1	2	3	107%
Tripura	1	3	2	-13%

Source: I-Sec research, Budget documents

Exhibit 67: Major open tenders

Issuer Name	Tender	Project Value (INR bn)
ERCPCL	Construction of feeder system	42
ERCPCL	Construction of Mor Sagar Reservoir	39
ERCPCL	Construction of feeder	25
ERCPCL	Construction of feeder	19
	Other tenders	51
	Total	**176**

Source: I-Sec research, Project today

ERCPCL - Eastern Rajasthan Canal Project Corporation Limited

EPC players

Exhibit 68: Irrigation OB for listed EPC players (INR bn)

Company	FY19	FY20	FY21	FY22	FY23	FY24	YTD FY25
KNR	2	16	31	22	16	21	21
NCC	24	21	24	22	5	12	11

Source: I-Sec research, Company data

As per KNR's management, the company has been seeing a lot of opportunities in irrigation segment under in MP and Rajasthan under the HAM mode with an EPC opportunity of INR 300bn in the medium term.

Exhibit 69: Major irrigation work awarded

Issuer Name	Tender	Project Value (INR bn)
ERCPCL	Megha Engineering	52
WRD, MP	HES Infra	37
ERCPCL	Megha Engineering	29
ERCPCL	Megha Engineering	25
UPDCCL	Afcons Infrastructure	20
WRD, Maha.	Megha Engineering	17
NVDA	Laxmi Civil Engineering Services	15
MCGM	BSCPL Infrastructure	15
NVDA	Navayuga Engineering	14
NVDA	LCC Projects	14
UPDCCL	Afcons Infrastructure	13
WRD, MP	HES Infra	13
I&CD, Telangana	Raghava Constructions	12
I&CD, Telangana	Megha Engineering	12
	Others	**255**
	Total	**541**

Source: I-Sec research, Project today, Company Data

ERCPCL - Eastern Rajasthan Canal Project Corporation Limited

WRD, MP - Water Resources Department, Madhya Pradesh

UPDCCL - Uttarakhand Project Development. & Construction Corporation. Ltd.

WRD, Maha. - Water Resource Department, Maharashtra

NVDA - Narmada Valley Development Authority

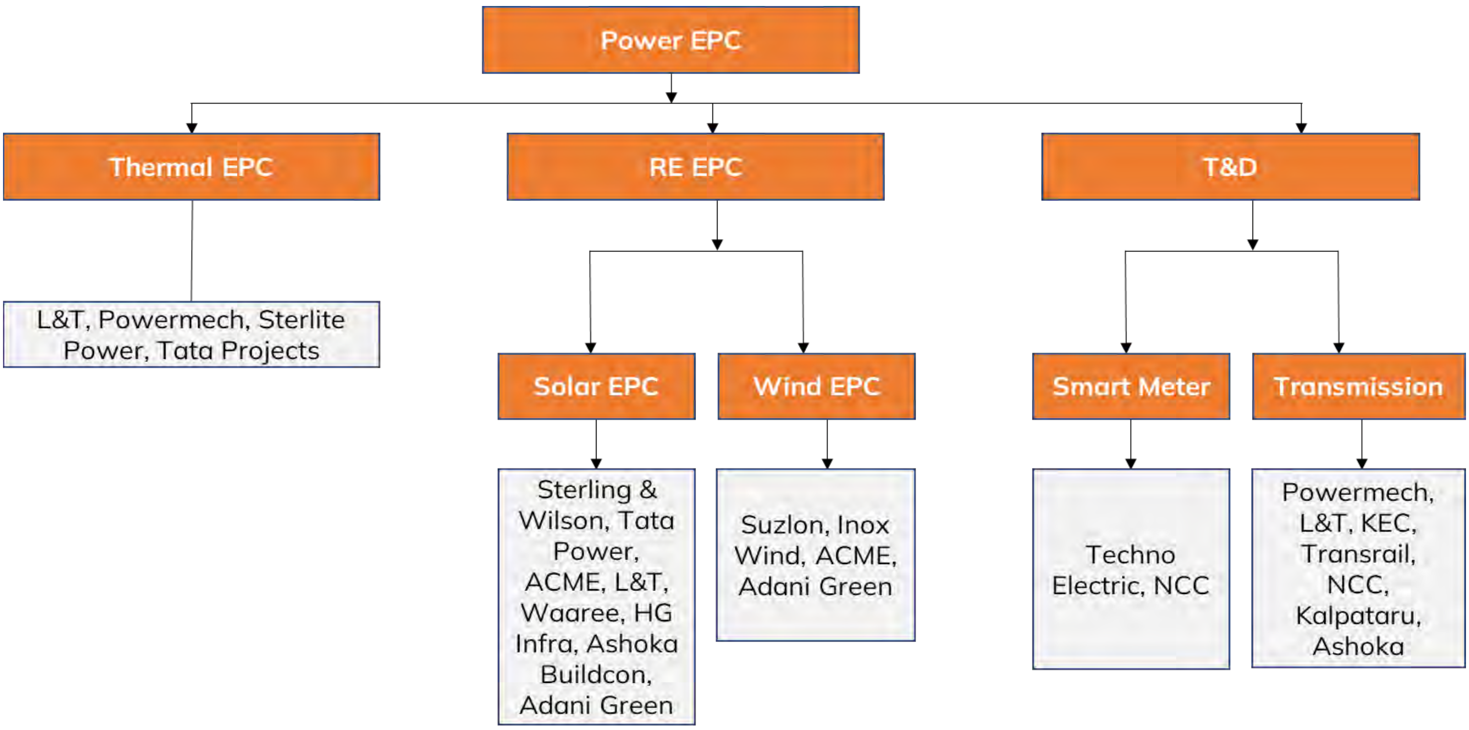
MCGM - Municipal Corporation. of Greater Mumbai

I&CD, Telangana - Irrigation & CAD Department, Telangana

Power EPC – driven by growth in renewables

- **Conventional generation is seeing an uptick. India has awarded 35GW of thermal power plants in the last two fiscals. We expect this to power strong opportunities for the remaining plants. Power Mech would be a key beneficiary of this opportunity.**
- **RE is witnessing a sharp pick-up in activity. EPC opportunities are huge, but it remains a low-margin business and is highly competitive. Total opportunity, including module, could be INR 1trn p.a. However, it is largely being done on a captive basis. Potential key beneficiaries are L&T & Tata Power.**
- **Inter-state transmission capex is set to pick up. We expect a surge in OI activity in the near term. We see EPC ordering of INR 300–350bn p.a. for next two years**
- **Distribution capex is also rising on the back of installation of smart meters and upgradation of the network. The total opportunity size is ~INR 400–500bn p.a. A few tenders for smart meters (in PPP) have been bagged by the likes of NCC, but execution has been slow.**

Exhibit 70: Power EPC



Source: I-Sec research

Thermal EPC opportunity

India has added 40GW of thermal power plants from CY17-CY24 and further intends to added additional thermal capacity of 48GW by CY32E (Source: NEP).

BHEL acts a master for the BoP contracts for the thermal plants in India and further sub contracts the civil work to various players including L&T, Powermech, Sterlite Power, Tata Projects, etc.

Considering an EPC cost of INR 40mn per MW, it creates an opportunity of ~INR 320bn per year.

Exhibit 71: Coal-based capacity addition plan in long term

Particulars	No of projects	Capacity (GW)	Cost (INR trn)
Under construction	22	29	2.8
Under bidding	10	12	1.0
Under planning	30	39	3.3
Total	**62**	**81**	**7.1**

Source: Indianinfrasturcture.com, MoP, I-Sec research

INR 250bn opportunity for solar EPC every year

Ministry of Renewable Energy has set a major target to achieve 500GW capacity from non-fossil fuel by 2030. We expect the major target to be achieved by addition of solar capacity addition. Further, the government has targeted to invite bids for 50GW of RE capacity annually until FY28E, which shall include at least 10GW p.a. of wind energy capacity.

As per the NEP, the solar capacity is estimated to increase from 82GW in FY24 to 365GW by FY32E, requiring addition of 283GW in the next 7–8 years.

Every 1GW addition of solar creates an EPC opportunity of INR 5bn in the market. With that, the solar market is estimated to create an EPC opportunity of INR 140bn every year until FY30E – creating a decent TAM for companies to grab, including L&T, Tata Power, HG Infra and Ashoka Buildcon.

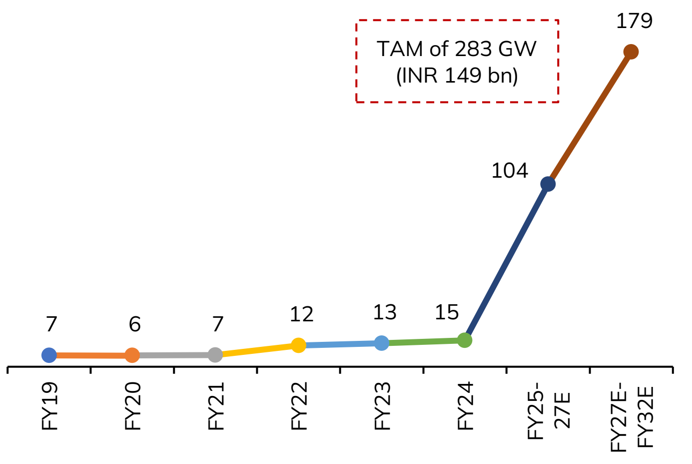
Wind EPC opportunity

The growth of wind capacity has faced a difficult situation historically due to supply side constraints, policy regulations, procuring land for projects, etc. However, there has been various changes within the ecosystem which is expected to boost the growth of Wind capacity installation in the India market.

India's wind installed capacity currently stands at 48GW, as of Dec'24, and is expected to further add 76GW by FY32E bringing the total wind capacity to 122GW by end-FY32E.

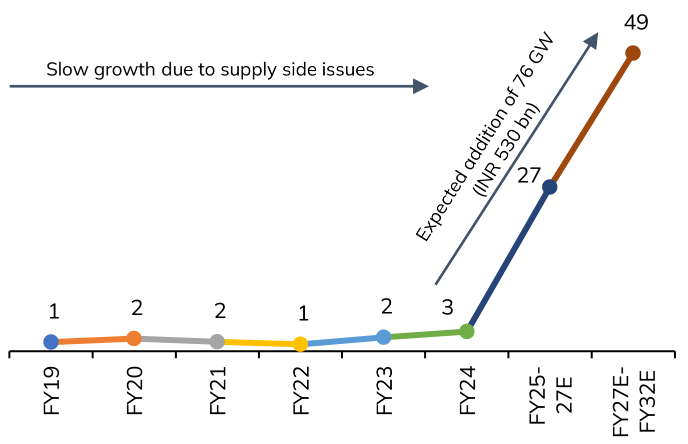
With every 1GW of wind capacity addition, an EPC opportunity of INR 7bn gets created within the market. **We expect the NEP plan to create an EPC opportunity of INR 530bn in the medium to long term.**

Exhibit 72: Solar addition (GW)



Source: I-Sec research, CEA

Exhibit 73: Wind addition (GW)

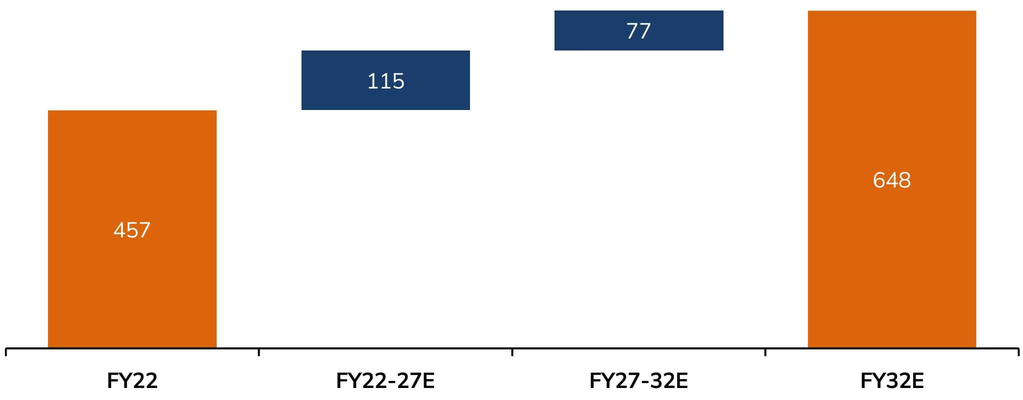


Source: I-Sec research, CEA

Transmission & Distribution (T&D) EPC opportunity

As per the NEP, transmission capacity is expected to grow at a 4% CAGR over FY22-32E from 4,57,000ckm in FY22 to 6,48,000ckm by FY32E, adding 1,91,000ckm over the next 10 years, attracting an investment of ~INR 9.1trn. We expect a surge in OI activity in the near term, entailing **EPC ordering of INR 300–350bn p.a. for the next two years.**

Exhibit 74: Transmission capacity addition by FY32E (000'ckm)



Source: I-Sec research, NEP

Growing focus on nuclear energy

- **India's nuclear energy push is targeting 22GW nuclear capacity by 2031 to reduce coal dependency and enhance energy security.**
- **Upcoming projects include Kudankulam 5 & 6, GHAVP 1 & 2, and new projects in Shutka and Mahi Banswara. Small Modular Reactors (SMRs) could drive additional EPC demand.**
- **Government's emphasis on indigenization benefits domestic EPC players such as L&T, BHEL, and Tata Projects in key components (reactor vessels, heat exchangers, containment structures).**
- **EPC accounts for 60–70% of nuclear project costs, with an estimated INR 800bn opportunity by 2030.**
- **L&T is a leader in nuclear EPC, BHEL supplies steam turbines, and foreign partnerships (Rosatom, EDF, GE-Hitachi) could boost Indian firms through JVs.**

India is increasingly looking at nuclear energy as a key pillar of its clean energy transition, aiming to reduce its dependence on coal while ensuring energy security. With a current installed nuclear capacity of ~8GW and ambitious plans to reach 22GW by 2031, the sector presents significant opportunities for EPC companies involved in nuclear power plant development.

Exhibit 75: Operational nuclear plant

Project Name	Capacity (MW)	Technology Used	EPC	Project Cost (INR bn)	Project Cost (INR mn/MW)
Tarapur, MAH	320	BWR	Bechtel	1	3
	1,080	PWHR	Gammon India, L&T, BHEL, WIL	57	53
Kota, RAJ	300	PHWR	HCC	2	7
	440	PHWR	HCC, L&T	25	57
	440	PHWR	HCC, L&T	24	55
Madras, TN	440	PHWR	L&T, BHEL	2	5
Kaiga, KAR	440	PHWR	L&T, BHEL	29	66
	440	PHWR	L&T, BHEL	29	66
Kudankulam, TN	1,000	PWR	HCC, L&T	112	112
Narora, UP	440	PHWR	HCC, L&T	7	16
Kakrapar, GUJ	440	PHWR	HCC, L&T	14	32
Kalpakam APS 1 & 2	1000	PHWR	HCC		
Kakrapar APS Unit 3 &4	1400	PHWR	L&T	225	161
Total	**8,180**				

Source: I-Sec research, Company Data

Upcoming projects – pipeline

Apart from the 10 PHWRs, reactors under construction include Kudankulam 5 and 6, Gorakhpur Haryana Anu Vidyut Pariyojana (GHAVP) 1 and 2, and units in Chutka and Mahi Banswara. Plans to set up SMRs could open new EPC demand.

Exhibit 76: Pipeline of upcoming nuclear projects

Project Name	Capacity (MW)	Technology Used	EPC	Reactor	Project Cost (INR bn)*
Rajasthan Atomic 7&8	1,400	PHWR	HCC, Punj Lloyd, BHEL, L&T	NPCIL	124
Kudankulam 3 & 4, TN	2,000	LWR	HCC, L&T	NPCIL	400
Kudankulam 5 & 6, TN	2,000	LWR	HCC, L&T	NPCIL	500
Gorakhpur, Haryana 1 & 2	1,400	PHWR	L&T & BHEL	NPCIL	205
Total	**6,800**				

Source: I-Sec research, NPCRA

*I-sec estimate

Localisation of nuclear equipment

The government is focusing on higher indigenization, creating opportunities for domestic EPC contractors such as L&T & BHEL.

Key components include reactor pressure vessels, heat exchangers, and containment structures, where EPC firms can play a major role.

Exhibit 77: Kundakulam nuclear power plant units 1 and 2 – project cost

Cost components	Estimated Cost (INR bn)	% of total
EPC Cost		
Nuclear Steam Supply System (NSSS) and Turbo Generator (TG)	10	4.5%
- Erection and Commissioning of NSSS and TG	7	3.2%
- Other EPC Activities	140	62.3%
Total EPC Costs	**157**	**70%**
Non-EPC Costs		
- Licensing, Project Management, and Supervision	20	8.9%
- Infrastructure Development	15	6.7%
- Training and Development of Operating Personnel	10	4.5%
- Other Contingencies	22	9.9%
Total Non-EPC Costs	**67**	**30%**
Grand Total	**225**	**100%**

Source: I-Sec research

With the EPC opportunity ranging from 60–70% of the total project cost and project cost potentially ranging from INR 150–200mn per MW, we estimate a total EPC opportunity of INR 800bn by 2030.

EPC opportunity

- L&T is a leading player in nuclear EPC, having supplied critical components for PHWRs and LWINR.
- BHEL manufactures steam turbines for nuclear plants.
- Foreign partnerships (Rosatom, EDF, GE-Hitachi) could create opportunities for Indian EPC firms through joint ventures.
- In the near term, Mahi Banswara (~2.8GW) is likely to be up for bidding. FY25 saw a large bid of INR 120bn. We expect a INR 200bn OI opportunity in the near term.

The trilemma: Growth, margin and returns

- **EPC margins are an interplay between project management, a degree of self-execution vs. sub-contracting and complexity of the work.**
- **Also, counter-party risk or the working capital requirements gets priced into EPC margins. Higher the working capital, higher the margin. Higher the counter-party risk, higher the margin.**
- **An EPC company faces difficult choices while pursuing different EPC opportunities. It has to analyse its current skill set, acquisition of new skill set, counter-party and working capital before taking on a new project.**
- **EPC companies with smaller footprint and non-linear projects generally have higher margins.**
- **As companies start increasing their footprint vertically or horizontally, the margins generally shrink due to more sub-contracting and loss in efficiency. This, essentially separates the wheat from the chaff.**
- **The transition from pure-play to a diversified-play comes with significant risk. Managing the transition essentially remains a challenging milestone for an EPC company.**

E&C companies are looking to diversify – geographically and into new segments. However, the path is difficult and the learning curve could be steep.

A bouquet of choices: Simple to complex terrain

E&C offers a plethora of opportunities. A simple civil project attracts strong competition. However, it becomes difficult to grow the business beyond a certain size if the company pursues opportunities only in its favoured segment. We believe road (EPC) and solar remain very competitive. This has led to smaller road players to eventually make an entry into other segments.

Exhibit 78: Margin profiles and working capital of various segments

Segments	WC Requirements	Margins
Road	Low	Low to Moderate
Railway	Low to Moderate	Moderate
Metro	Low to Moderate	Moderate
Building	Moderate	Low
Hydro	High	Moderate to High
PSP	Moderate	Moderate
Power	High	Low to Moderate
Nuclear	Moderate	Moderate

Source: I-Sec research, Company data

Exhibit 79: Working capital efficiency

Company	Working capital (FY24)	EBITDA Margins (FY24)	WC efficiency
Afcons	Low	Low	Moderate
NCC	Low	Low	Moderate
Ahluwalia	Moderate	Low	Low
Ceigall	Moderate	High	High
KNR	High	High	Moderate
HG Infra	Moderate	High	High
Ashoka	Low	Low	Moderate
PNC	Moderate	High	High
GR Infra	High	High	Moderate
Power Mech	High	Low	Moderate

Source: I-Sec research, Company data

The trilemma

The players have to decide on ways to build pre-qualifications – organically or inorganically for doing business, especially in existing EPC segments that are new to them. They face a trilemma – growth, margin and returns. Note that the returns ratio shall depend on working capital and additional capital (machines and building capabilities). While the newer segments can lead to higher growth, it could worsen the margin and returns ratio. It remains a delicate balancing act.

The winners

E&C players, historically, have tried to reshape themselves from a single-segment company to a full bouquet diversified player. But many have faltered along the way. We believe, players have no choice but to enter into new segments. The shortest route to diversify is to acquire a few skill-sets through the inorganic route while continuing to build up existing skill sets.

Valuation and outlook

- **We use a framework of diversification of OB, exposure to low competitive EPC segment, high book to bill ratio and valuation metrics to pick our winners.**
- **On that basis, we like Afcons (strong OB, diversified, trading at 20x FY27E PE), NCC (high book to bill ratio, diversified, trading at 12x FY27E PE).**
- **We also initiate coverage on Power Mech and Ahluwalia Contracts with a BUY rating (high book to bill ratio, trading at 10x FY27E PE), Ceigall with ADD, HG Infra with ADD rating (due to unrelated diversification). KNR with SELL**

Exhibit 80: Valuation estimates

Companies	P/E	Revenue CAGR FY25-27E	EPS CAGR FY25-27E	Trailing Book to Bill (x)	Rating
Afcons	19	20%	23%	3.8	BUY
NCC	13	11%	12%	2.9	BUY
GR Infra	13	17%	10%	3.3	BUY
PNC Infra	15	10%	9%	3.3	ADD
HG Infra	12	12%	7%	2.6	ADD
Powermech	10	27%	25%	4.4*	BUY
KNR	12	11%	-12%	1.0	SELL
Ashoka Buildcon	13	12%	17%	2.2	BUY
Ahluwalia	13	22%	48%	4.0	BUY
Ceigall	11	15%	20%	3.6	ADD

Source: I-Sec research

*Excluding MDO Order book

Afcons Infrastructure limited

Afcons is in a league of its own, having forged a legacy of executing large and complex EPC projects over the past few decades. It has built a diversified geographical and segmental exposure allowing it to maximise opportunities and weather periodic slowdown in capex in certain segments/geography. Over FY19-24, its revenue and PAT have grown at CAGRs of 9% and 13%, respectively. With robust OI in FY25, the company's revenue visibility is much higher than the average book-to-bill over the past two decades. It has a book-to-bill ratio of 3.8x currently (including L1s). We estimate revenues and EPS to grow at CAGRs of 20% and 22%, respectively, over FY25–27E. We initiate coverage with a **BUY** rating and TP of INR 563, implying a upside on 15.9%.

Exhibit 81: Afcons – valuation

Particulars	Rationale	INR Mn	Multiple (x)	Value (INR Mn)	Value per share (INR)
EPC	22x FY27E earnings	9,411	22.0	2,07,042	563
Target price (INR)				**2,07,042**	**563**
O/s shares					368
CMP*					486
Upside/ Downside					**15.9%**

Source: I-Sec research, *CMP as on 21/03/2025

NCC limited

NCC has survived adverse business cycles; alongside, it has shown a marked improvement in risk management and capital allocation decisions. Over FY19–24, its revenue and PAT have grown at CAGRs of 9% and 6%, respectively. NCC has been facing payment related issues recently, leading to higher working capital. It has a book-to-bill ratio of 2.9x currently. Given its diversified OB of INR 555bn across buildings, transportation, T&D, water, railways and others supported by strong OI and a bidding pipeline of INR 2trn in the near term, we estimate NCC's revenue and EPS to grow at CAGRs of 11% and 10%, respectively, over FY25–27E. We initiate coverage on NCC with a **BUY** rating and TP of INR 239, with an implied upside of 16.0%.

Exhibit 82: NCC – valuation

Particulars	Rationale	INR mn	Multiple (x)	Value (INR mn)	Value per share (INR)
EPC	15x FY27E earnings	9,896	15.0	1,48,434	236
MDO Business (51% Stake)	5xFY24 PAT	2,615	5.0	1,334	2
Target price (INR)				**1,43,545**	**239**
O/s shares					628
CMP*					206
Upside/ Downside					**16.0%**

Source: I-Sec research, *CMP as on 21/03/2025

Ahluwalia Contracts India Limited (ACIL)

We have a positive view on ACIL, given its asset-light model, strong balance sheet, consistent free cash flow generation, and robust return ratios. Over FY19-24, its revenue and EPS have grown at 17% and 14%, respectively. Execution has slowed due to NGT ban; however, the executable order book remains strong. With favourable attributed such as strong and diversified order book, a healthy bidding pipeline, we estimate revenue and EPS to grow at CAGRs of 21% and 37%, respectively, over FY25–27E. We anticipate OI of INR 250bn in FY26E. We initiate coverage on ACIL with a **BUY** rating and TP of INR 818, based on 15x FY27E earnings, implying an upside of 15.8% from the CMP.

Exhibit 83: ACIL – valuation

Particulars	Rationale	INR Mn	Multiple (x)	Value (INR Mn)	Value per share (INR)
EPC	15x FY27E earnings	4,230	15.0	63,449	947
Target price (INR)				**63,449**	**947**
O/s shares					67
CMP*					818
Upside/ Downside					**15.8%**

Source: I-Sec research, *CMP as on 21/03/2025

HG Infra Engineering limited

HG has a strong execution track record, robust earnings growth and lean balance sheet. Over FY19-24, its revenue and PAT have grown at CAGRs of 21% and 24%, respectively. Further, HG is monetising its assets in a timely manner, which should help fuel its next leg of growth. Current order backlog largely secures its execution growth for more than two years, providing comfort on estimates. But given the unrelated diversification of the company in battery storage systems, we remain cautious over its execution capabilities in the segment. We expect revenue and EPS CAGRs of 12% and 7%, respectively, over FY25–27E. With HG now completing a full development cycle for its HAM assets, we see room for valuations to re-rate. We value HG's EPC business at 10x FY27E EPS and HAM assets 1.2 x P/B to arrive at an SoTP-based TP of INR 1,288. Initiating coverage with an **ADD** rating.

Exhibit 84: HG Infra – valuation

Particulars	Rationale	INR mn	Multiple (x)	Value (INR mn)	Value per share (INR)
EPC	10x FY27E earnings	6,371	10	63,712	978
HAM	1.2x Equity Invested	16,857	1.2	20,229	310
Target price (INR)				**71,198**	**1,288**
O/s shares					65
CMP*					1,126
Upside/ Downside					**14.4%**

Source: I-Sec research, *CMP as on 21/03/2025

Ceigall India Limited

We estimate revenue and EPS to grow at CAGR of 38% and 20%, respectively, over FY25-27E. The company's strong balance sheet and prudent capital allocation provide stability; however, growth prospects remain constrained due to intense competition and limited diversification beyond the road segment. That said, as the company expands into other infrastructure verticals, a more diversified OB could support long-term growth. We initiate coverage with an **ADD** rating, valuing the EPC business at 8x FY27E earnings and the HAM segment at 1.2x equity invested, arriving at a TP of INR 291.

Exhibit 85: Ceigall – valuation

Particulars	Rationale	INR Mn	Multiple (x)	Value (INR Mn)	Value per share (INR)
EPC	8x FY27E earnings	4,998	8	37,486	231
HAM	1.2x Equity Invested	13,034	1.2	15,641	90
Target price (INR)				**53,127**	**291**
O/s shares					174
CMP*					263
Upside/ Downside					**10.5%**

Source: I-Sec research. *CMP as on 21/03/2025

KNR Constructions

We believe, KNR's dwindling OB is a key concern – posing substantial revenue visibility risk. Its OB of 1x sales is one of the lowest in the industry. Given the delay in receiving appointed dates for some of its projects, we believe that even if substantial OI is accrued over the next few quarters, revenue for FY26E would still be weak. The company has signed MoUs with NCC and Cube Highways to execute metro and BOT road projects, which should aid in OB accretion. Given the competition and need to build its OB, there could be pressure on margins going forward. As a result, we initiate coverage on KNR with a **SELL** rating and TP of INR 195, implying a downside of 20.0%.

Exhibit 86: KNR – valuation

Particulars	Rationale	INR mn	Multiple (x)	Value (INR mn)	Value per share (INR)
EPC	9 x FY27E earnings	4,724	9.0	42,515	151
BOT	1.2x Equity Invested	1,019	1.2	1,223	4
HAM	1.2x Equity Invested	9,180	1.2	11,015	39
Target price (INR)				**50,029**	**195**
O/s shares					281
CMP*					244
Upside/ Downside					**-20.0%**

Source: I-Sec research, *CMP as on 21/03/2025

Power Mech Projects

Power Mech Projects has established itself as a key player in the infrastructure and power services sector, demonstrating resilience across business cycles. Over FY19-24, its revenue and PAT have grown at CAGRs of 13% each, driven by a strong order book and execution capabilities. The company has been expanding its footprint beyond power services into segments like railways, water, and O&M, ensuring diversification and long-term growth visibility. It currently has an order book of INR 579bn, translating to a book-to-bill ratio of 4.4x, providing strong revenue visibility. With a robust bidding pipeline and focus on high-margin O&M contracts, we estimate Power Mech's revenue and EPS to grow at CAGRs of 27% & 25% respectively, over FY25-27E. We initiate coverage on Power Mech with a BUY rating and a target price of INR 2,536 implying an upside of 16.9%

Exhibit 87: Power mech – valuation

Particulars	Rationale	INR mn	Multiple (x)	Value (INR mn)	Value per share (INR)
EPC	12 x FY27E earnings	6,682	12.0	80,182	2,536
Target price (INR)				**80,182**	**2,536**
O/s shares					32
CMP*					2,169
Upside/ Downside					**16.9%**

Source: I-Sec research, *CMP as on 21/03/2025

Valuation of existing coverage

Ashoka Buildcon limited (Ashoka)

Ashoka has created a strong brand over the years with stable revenue growth of 15% CAGR over FY19–24 to INR 77bn. Amidst a year of subdued road bidding, Ashoka's OB stands at INR 167bn (including L1 and LoAs), as on 9MFY25 result date (2.2x TTM revenue). With a strong bid pipeline of INR 1.1trn in FY26, it expects OI of INR 100–120bn, revenue growth of 15% and EBITDA margin of 9.5%, in FY26. It recently finalised a deal for the 11 HAM assets removing an overhand on the stock, the stake sale is being done at a higher value than expected earlier. We maintain **BUY** with a revised TP of **INR 259** (earlier INR 359) as we roll forward to FY27E earnings.

Exhibit 88: Ashoka – valuation

Particulars	Rationale	INR mn	Multiple (x)	Value (INR mn)	Value per share (INR)
EPC	6x FY27E	3,761	8	30,087	107
HAM	2.2x FY26E equity invested	11,193	2.2	24,625	88
BOT	Deal valuation	17,755	1.9	33,734	120
Obligation to PE				(15600)	(56)
Target price (INR)				**65,324**	**259**
O/s shares					281
CMP*					193
Upside/ Downside					**34.7%**

Source: I-Sec research,*CMP as on 21/03/2025

GR Infra

Over the past couple of years, GR Infra has struggled with execution growth on account of execution issues. However, given the strong executable order backlog of INR 222bn (including L1s) as on Dec'24 i.e. 3.3x TTM revenue of INR 68bn, we expect revenue and PAT to grow by CAGRs of 17% and 10%, respectively.

It has witnessed OI worth ~INR 56bn over 9MFY25, resulting into a book-to-bill ratio of 3.3. With an order pipeline worth INR 1.5trn, it is expected to add another INR 150bn (10% of order pipeline) by end-FY25. Given a decent order build up, stable input price environment, strong bidding pipeline and the possibility of liquidation of operational assets, we maintain **BUY** on the stock with revised target price of **INR 1,329** (earlier INR 1,875) (SoTP based) as we roll forward to FY27E earnings.

Exhibit 89: GR Infra – valuation

Particulars	Rationale	INR mn	Multiple (x)	Value (INR mn)	Value per share (INR)
EPC	10x FY27E	5,482	10	54,825	567
BOT & HAM	1.5x FY27E equity invested	34,726	1.5	52,089	539
INVIT Value		49,609	43.6%	21,610	223
Target price (INR)				**1,28,524**	**1,329**
O/s shares					97
CMP					1,018
Upside/ Downside					**31%**

Source: I-Sec research, *CMP as on 21/03/2025

PNC Infra (PNCL)

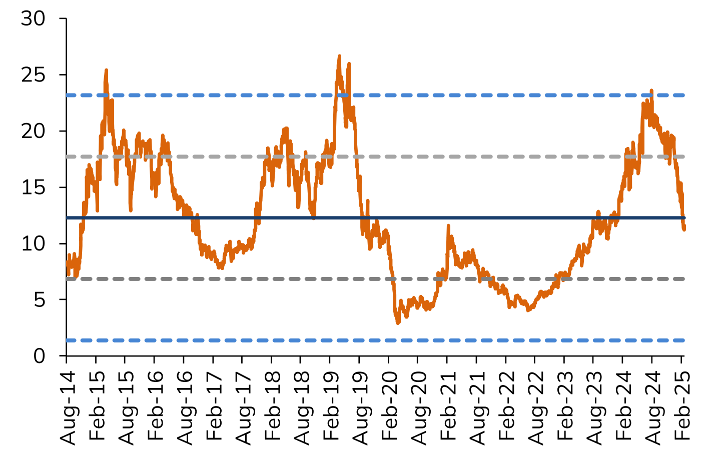
PNCL offers a demonstrated track record of good execution and project management with 5-year revenue/EBITDA/PAT CAGRs of 19%/16%/19%. In recent times, revenues have been impacted by delays in the appointed date and a slower pace of project awards. As a result, the company has further revised its revenue guidance downward for FY25, from an earlier decline of 10% to 15%, to a steeper dip of 25% to 30%, while retaining its EBITDA margin guidance at 12–12.5%. On a positive note, PNCL announced the lifting of the MoRTH ban, allowing it to participate in upcoming NHAI/MoRTH project bids. We maintain **HOLD** on the stock and revise our TP to **INR 294** (earlier INR 307), based on a valuation of 8x FY27E EPS as we roll forward to FY27E earnings.

Exhibit 90: PNC Infra – valuation

Particulars	Rationale	INR mn	Multiple (x)	Value (INR mn)	Value per share (INR)
EPC	8x FY27E	4,674	8	37,388	146
BOT	NPV of FCFE	4,693	1.2	5,631	22
HAM	1.2x equity invested	26,897	1.2	32,276	126
Target price (INR)				**75,296**	**294**
O/s shares					257
CMP					274
Upside/ Downside					**7%**

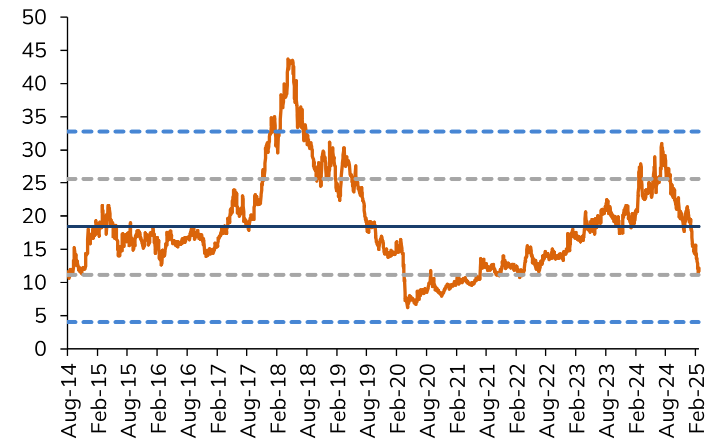
Source: I-Sec research, *CMP as on 21/03/2025

Exhibit 91: NCC – 2-year forward P/E



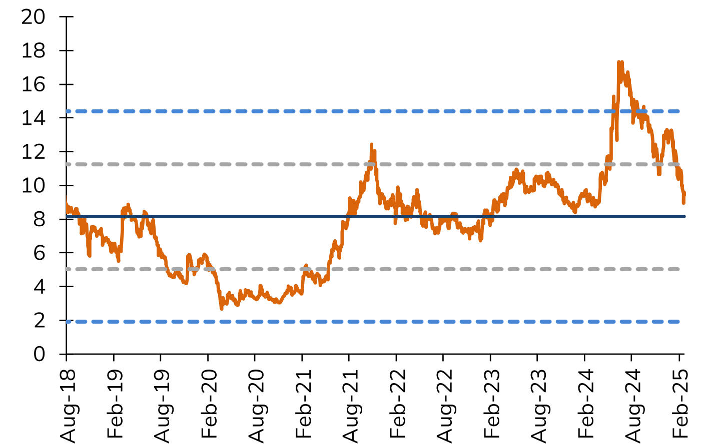
Source: I-Sec research, Bloomberg

Exhibit 92: ACIL – 2-year forward P/E



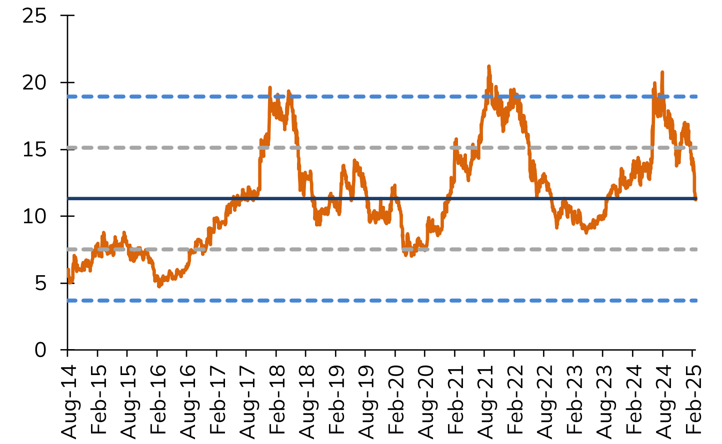
Source: I-Sec research, Bloomberg

Exhibit 93: HG – 2-year forward P/E



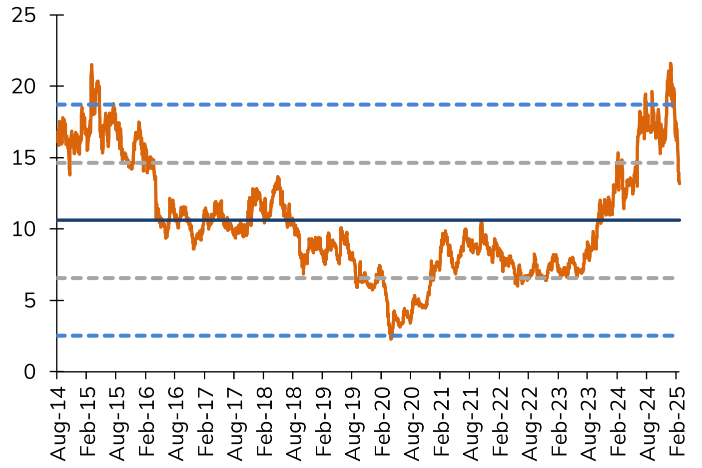
Source: I-Sec research, Bloomberg

Exhibit 94: KNR – 2-year forward P/E



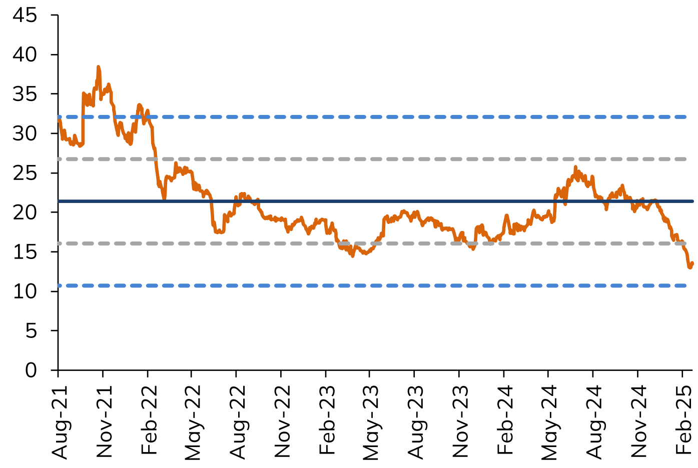
Source: I-Sec research, Bloomberg

Exhibit 95: Ashoka – 2-year forward P/E



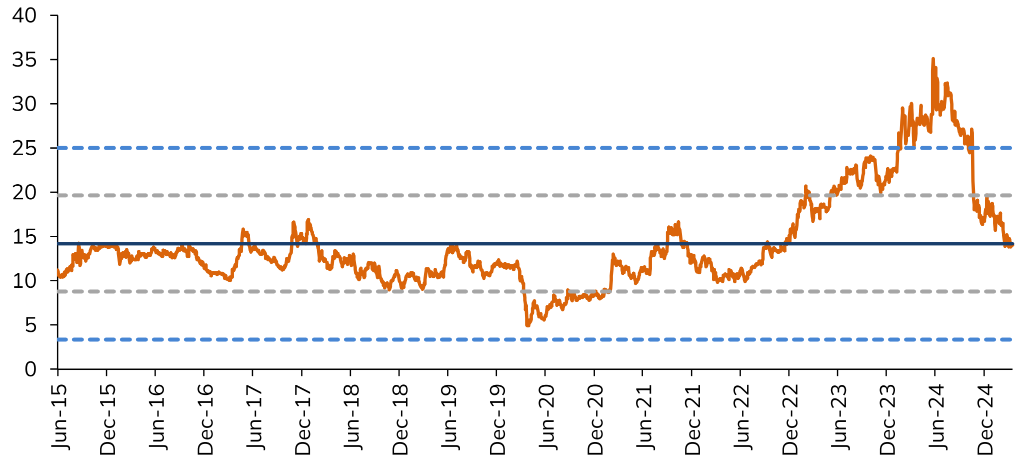
Source: I-Sec research, Bloomberg

Exhibit 96: GR Infra – 2-year forward P/E



Source: I-Sec research, Bloomberg

Exhibit 97: PNC – 2-year forward P/E



Source: I-Sec research, Bloomberg

Key Risks

Cost overruns

Rising raw material prices, labour cost and unexpected site conditions can push project expenses beyond initial estimates, impacting profitability and financial stability.

Execution issues

Poor project planning, contractor inefficiencies, or regulatory hurdles can lead to delays and quality concerns further leads to cost overruns and missing out on bonus income.

Lower bidding activities

Reduced tendering activity due to economic downturns, no participation from EPC players, or regulatory hurdles.

Delay in OI

Sluggish decision-making & delayed regulatory approvals by government bodies can result in project pipeline uncertainties.

Payment delays affecting the working capital cycle

Delayed client payments can disrupt the working capital cycle, leading to liquidity challenges and increased reliance on external borrowings.

Increase in debt levels

High debt due to project financing or working capital needs can lead to elevated interest costs, straining profitability and credit ratings.

Annexure- asset details

The asset details of each company are as tabulated below as on Q3FY25:

Exhibit 98: Ashoka Buildcon Limited – asset details (INR mn)

Particulars	Equity Invested	Required Equity	Total Equity
BOT Assets			
Operational			
Mudhol Nipani	1,737	-	1,737
Bagewadi Saundatti	578	-	578
Hungud Talikot	1,465	-	1,465
Chennai ORR	4,558	-	4,558
Belgaum Dharwad Road	2,150	-	2,150
Dhankuni Kharagpur Road	5,358	-	5,358
Sambalpur Baragarh Road	1,670	-	1,670
Bhandara Maharashtra Road	1,751	-	1,751
Durg Chattisgarh Road	1,646	-	1,646
Jaora-Nayagaon Road**	2,505	-	2,505
Total Equity in BOT assets	**23,419**	**-**	**23,419**
HAM Assets			
Operational			
Kharar-Ludhiana*	1,570	-	1,570
Ranastalam-Anandpuram*	1,050	-	1,050
Vadodara Kim*	1,510	-	1,510
Khairatunda-Barwa Adda*	720	-	720
Belgaum-Khanapur*	930	-	930
Tumkur-Shivamogga –II*	1,140	-	1,140
Tumkur-Shivamogga –I*	670	-	670
Kandi-Ramsanpalle*	690	-	690
Tumkur-Shivamogga –IV*	980	-	980
Tumkur-Shivamogga –III*	720	-	720
Basawantpur Singnodi*	1,060	-	1,060
Total Equity in HAM assets	**11,040**	**-**	**11,040**
Total Equity	**34,459**	**-**	**34,459**

Source: I-Sec research, Company data

*Company have entered into share purchase agreements with Epic Concessions 2 Private Limited, Infrastructure Yield Plus II, and Infrastructure Yield Plus IIA for sale of 11 HAM assets for the aggregate consideration of INR 23bn

**Ashoka Buildcon has 74% stake

Exhibit 99: PNC Infra – asset details (INR mn)

Particulars	Equity invested	Additional required equity	Total equity
BOT Assets			
Operational			
Kanpur Kabrai	675	-	675
Gwalior Bhind	783	-	783
Total Equity in BOT	**1,458**	**-**	**1,458**
HAM Assets			
Operational			
Rae Bareli Jaunpur	1,396	-	1,396
Narela Industrial Area	350	-	350
Gaju Village- Devinagar (Pkg-1C)	850	-	850
Total Equity in Operational HAM assets	**2,596**	**-**	**2,596**
Under construction			
Kanpur-Lucknow (Pkg I)	1,510	270	1,780
Kanpur-Lucknow (Pkg II)	1,450	378	1,828
Sonauli- Gorakhpur	850	922	1,772
Mathura - Gaju Village (Pkg- 1B)	820	273	1,093
Hardoi	970	73	1,043
Akkalkot Pkg-II (Badadal-Maradgi S)	1,110	796	1,906
Singraur Uphar - Baranpur Kadipur Ichauli (Package-III)	490	532	1,022
Greenfield Varanasi - Ranchi - Kolkata Highway (Pkg-2)	30	1,103	1,133
Greenfield Varanasi - Ranchi - Kolkata Highway (Pkg-3)	50	1,377	1,427
Greenfield Varanasi - Ranchi - Kolkata Highway (Pkg-6)	50	1,563	1,613
4 laning of Western Bhopal Bypass	20	1,498	1,518
Total Equity in Under construction HAM assets	**7,350**	**8,785**	**16,135**
Total Equity in HAM	**9,946**	**8,785**	**18,731**
Total Equity	**11,404**	**8,785**	**20,189**

Source: I-Sec research, Company data

Note: Company has signed a definitive agreement to sell 11 operational HAM and 1 operational BOT road assets with Highway Infrastructure Trust to sell the said assets on January 15, 2024. Note that the details of such said assets have been excluded from the above list

Exhibit 100: G R Infra asset details (INR mn)

Particulars	Equity Invested	Required Equity	Total Equity
BOT Assets			
Operational			
Reengus-Sikar	460	-	460
Total Equity in BOT assets	**460**	**-**	**460**
HAM Assets			
Operational			
Nagaur-Mukundgarh (HAM)	909	-	909
Bilaspur-Urga (HAM)	2,061	-	2,061
Galgalia Bahadurganj (HAM)	1,419	-	1,419
Bahadur Ganj-Araria (HAM)	1,460	-	1,460
Ena-Kim (HAM)	1,694	-	1,694
Total Equity in Operational HAM assets	**7,543**	**-**	**7,543**
Under construction			
Shirsad-Masvan (HAM)	3,000	22	3,022
Yamuna Bridge Highway (HAM)	796	15	811
Warangal-Khammam (II) (HAM)	915	17	932
Amritsar Bathinda Corridor (HAM)	1,001	19	1,020
Ludhiana Rupnagar (HAM)	1,027	19	1,046
Hasapur – Badadal Highway (HAM)	1,050	19	1,069
Bamni to MH/TG Border (HAM)	904	17	921
Ujjain-Badnawar (HAM)	980	18	998
Madanapalli-Pileru (HAM)	1,703	32	1,735
Anjar Bhuj (HAM) Bandikui-Jaipur Corridor (HAM)	1,172	22	1,194
Bandikui-Jaipur Corridor (HAM)	1,477	28	1,505
Govindpur-Rajura (HAM)	980	18	998
Devinagar Kasganj Bypass (HAM)	1,325	24	1,349
Belgaum Raichur Package 5 (HAM)	774	14	788
Belgaum Raichur Package 6 (HAM)	800	15	815
Varanasi-Ranchi-Kolkata Highway	1,348	25	1,373
Kasganj Bypass	1,172	22	1,194
Total Equity in underconstruction HAM assets	**20,424**	**343**	**20,767**
Total Equity in HAM assets	**27,967**	**343**	**28,310**
Total Equity	**28,427**	**343**	**28,770**

Source: I-Sec research, Company data

Exhibit 101: Ceigall India Limited – asset details (INR mn)

Particulars	Equity Invested	Additional required equity	Total Equity invested
HAM Assets			
Operational			
Malout Abohar Sadhuwali	990	-	990
Jodhpur Romana (Bathinda) –Mandi Dabwali	841	-	841
Total Equity in Operational HAM assets	**1,831**	**-**	**1,831**
Under construction			
Construction of 4-Lane Greenfield Jalbehra - Shahbad	646	106	752
Development of 6-lane access-controlled Ludhiana-Bathinda Greenfield highway	1	946	947
Construction of 6-lane Greenfield Varanasi-Ranchi-Kolkata Highway	60	1,207	1,266
Construction of 6-lane Greenfield Varanasi-Ranchi-Kolkata Highway	78	1,573	1,650
Construction of 4/6 Lane Northern Ayodhya Bypass	1	1,220	1,221
Construction of 4/6 lane Southern Ayodhya Bypass	1	1,326	1,327
Total Equity in under construction HAM assets	**787**	**6,377**	**7,164**
Total Equity	**2,617**	**6,377**	**8,994**

Source: I-Sec research, Company data

Exhibit 102: HG Infra – asset details (INR mn)

Particulars	Equity Invested	Additional required equity	Total Equity invested
HAM assets			
Under construction			
Rewari Bypass Pkg-4	757	-	757
Khammam Devarapalle Pkg-1	1,002	2	1,004
Khammam Devarapalle Pkg-2	839	-	839
Raipur Visakhapatnam AP-1	1,320	58	1,378
Raipur Visakhapatham OD-5	1,938	2	1,940
Raipur Visakhapatham OD-6	1,310	150	1,460
Karnal Ringroad	1,010	286	1,296
Varanasi Kolkata Pkg-10	259	1,435	1,694
Varanasi Kolkata Pkg-13	321	882	1,203
Chennai Tirupati II	548	573	1,121
Narol Junction to Sarkhej Jun.	-	1,015	1,015
84 Kosi Parikrama Marg Pkg. 6		992	992
Total equity in under construction HAM assets	**9,304**	**5,395**	**14,699**
Total equity	**9,304**	**5,395**	**14,699**

Source: I-Sec research, Company data

Exhibit 103: KNR Constructions – asset details (INR mn)

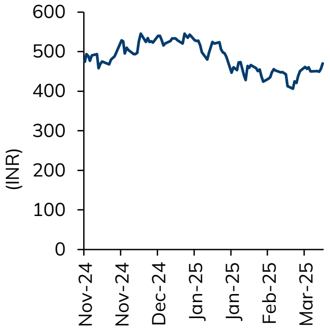
Particulars	Equity Invested	Additional required equity	Total Equity invested
BOT Assets			
Operational			
Patel KNR Infrastructures limited*	370	-	370
Patel KNR Heavy Infrastructures Limited*	649	-	649
Total Equity in BOT assets	**1,019**	**-**	**1,019**
HAM Assets			
Operational			
Magadi-Somwarpet	1,233	-	1,233
Oddanchatram -Madathukulam	644	-	644
Total Equity in Operational HAM assets	**1,877**	**-**	**1,877**
Under construction			
Ramanattukara -Valanchery	1,598	1,006	2,604
Valanchery -Kappirikkad	1,598	757	2,354
Chittor -Thatchur	814	332	1,146
Mysore to Kushalnagara (Pkg V)	-	759	759
Mysore to Kushalnagara (Pkg IV)	-	715	715
Marripudi to Somvarappadu	1	731	732
Total Equity in under construction HAM assets	**4,010**	**4,299**	**8,310**
Total Equity in HAM assets	**5,887**	**4,299**	**10,186**
Total Equity	**6,906**	**4,299**	**11,205**

Source: I-Sec research, Company data

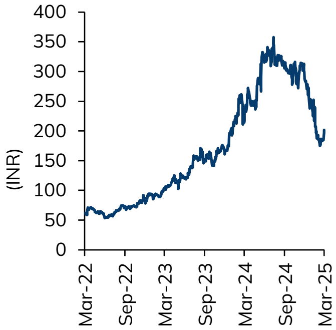
*KNR constructions has 40% Stake in the 2 operational BOT assets

Price charts

Afcons

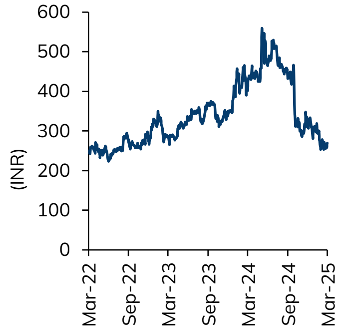


NCC



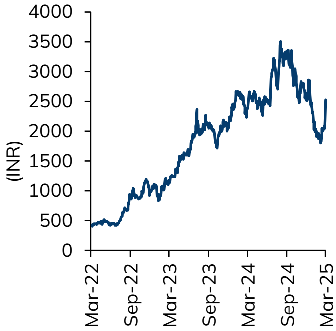
GR Infra

PNC Infra



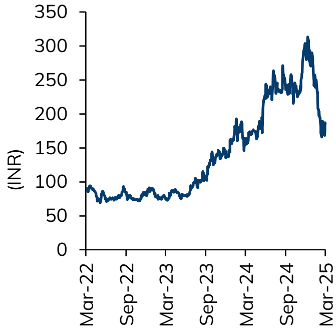
HG Infra

Powermech

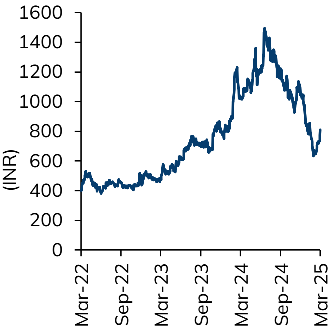


KNR

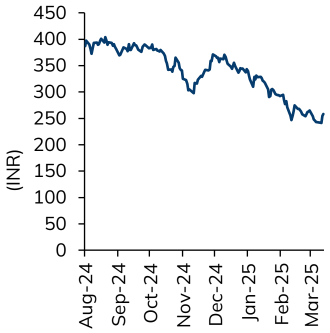
Ashoka Buildcon



Ahluwalia



Ceigall



Source: Bloomberg

Financial Summary

Afcons Infrastructure Limited

Exhibit 104: Profit & Loss

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Net Sales	**1,35,178**	**1,35,434**	**1,69,504**	**1,95,292**
Operating Expenses	14,226	15,163	17,742	20,268
EBITDA	**15,077**	**15,067**	**19,814**	**23,113**
EBITDA Margin (%)	11.2	11.1	11.7	11.8
Depreciation & Amortization	4,643	4,341	5,857	6,804
EBIT	10,435	10,726	13,957	16,309
Interest expenditure	5,563	6,376	6,597	6,984
Other Non-operating Income	1,826	4,220	4,200	3,251
Recurring PBT	**6,697**	**8,570**	**11,560**	**12,577**
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	2,344	2,314	2,910	3,166
PAT	4,353	6,256	8,650	9,411
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	**4,353**	**6,256**	**8,650**	**9,411**
Net Income (Adjusted)	**4,353**	**6,256**	**8,650**	**9,411**

Source Company data, I-Sec research

Exhibit 105: Balance sheet

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Total Current Assets	1,02,953	1,14,568	1,25,330	1,42,167
of which cash & cash eqv.	7,881	18,031	17,025	24,851
Total Current Liabilities & Provisions	76,265	79,209	81,598	90,102
Net Current Assets	**26,688**	**35,359**	**43,732**	**52,066**
Investments	3,886	4,106	4,337	4,567
Net Fixed Assets	28,697	30,492	33,019	34,345
ROU Assets	-	-	-	-
Capital Work-in-Progress	300	350	400	450
Total Intangible Assets	-	-	-	-
Other assets	16,748	16,263	17,753	19,211
Deferred Tax Assets	-	-	-	-
Total Assets	**76,318**	**86,571**	**99,241**	**1,10,639**
Liabilities				
Borrowings	**22,131**	**10,278**	**12,531**	**13,791**
Deferred Tax Liability	**18,601**	**21,951**	**23,717**	**24,445**
provisions	-	-	-	-
other Liabilities	-	-	-	-
Equity Share Capital	3,407	3,678	3,678	3,678
Reserves & Surplus	32,163	50,648	59,299	68,710
Total Net Worth	**35,570**	**54,326**	**62,976**	**72,388**
Minority Interest	16	16	16	16
Total Liabilities	**76,318**	**86,571**	**99,241**	**1,10,639**
Adjusted Net Profit				

Source Company data, I-Sec research

Exhibit 106: Cashflow statement

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Operating Cashflow	**(1,457)**	**7,735**	**(728)**	**8,903**
Working Capital Changes	(5,810)	1,479	(9,379)	(508)
Capital Commitments	(2,179)	(1,846)	(2,577)	(1,376)
Free Cashflow	**722**	**9,580**	**1,848**	**10,279**
Other investing cashflow	-	-	-	-
Cashflow from Investing Activities	(2,179)	(1,846)	(2,577)	(1,376)
Issue of Share Capital	(2,353)	12,500	0	0
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	8,429	(11,854)	2,254	1,260
Dividend paid	-	-	-	-
Others	(701)	264	(1,721)	(1,689)
Cash flow from Financing Activities	5,376	911	533	(429)
Chg. in Cash & Bank balance	**1,740**	**6,800**	**(2,772)**	**7,098**
Closing cash & balance	7,327	14,681	15,259	24,123

Source Company data, I-Sec research

Exhibit 107: Key ratios

(Year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	12.8	17.0	23.5	25.6
Adjusted EPS (Diluted)	12.8	17.0	23.5	25.6
Cash EPS	26.4	28.8	39.4	44.1
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	104.4	147.7	171.2	196.8
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	6.0	0.2	25.2	15.2
EBITDA	6.1	(0.1)	31.5	16.7
EPS (INR)	6.0	33.1	38.3	8.8
Valuation Ratios (x)				
P/E	38.0	28.5	20.6	19.0
P/CEPS	18.4	16.8	12.3	11.0
P/BV	4.7	3.3	2.8	2.5
EV / EBITDA	11.6	11.1	8.6	7.0
P / Sales	1.2	1.3	1.1	0.9
Dividend Yield (%)	-	-	-	-
Operating Ratios				
Gross Profit Margins (%)	21.7	22.3	22.2	22.2
EBITDA Margins (%)	11.2	11.1	11.7	11.8
Effective Tax Rate (%)	35.0	27.0	25.2	25.2
Net Profit Margins (%)	3.2	4.6	5.1	4.8
NWC / Total Assets (%)	0.1	0.1	-	-
Net Debt / Equity (x)	0.3	(0.2)	(0.1)	(0.2)
Net Debt / EBITDA (x)	0.7	(0.8)	(0.4)	(0.7)
Profitability Ratios				
RoCE (%)	15.2	17.8	19.4	18.1
RoE (%)	12.6	13.9	14.7	13.9
RoIC (%)	15.2	17.8	19.4	18.1
Fixed Asset Turnover (x)	5.0	4.6	5.3	5.8
Inventory Turnover Days	50	49	52	48
Receivables Days	83	81	77	69
Payables Days	106	100	92	90

Source Company data, I-Sec research

NCC Limited

Exhibit 108: Profit & Loss

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Net Sales	**1,85,137**	**1,94,393**	**2,17,721**	**2,39,493**
Operating Expenses	3,010	3,311	3,609	3,934
EBITDA	**18,474**	**18,146**	**21,109**	**22,907**
EBITDA Margin (%)	10.0	9.3	9.7	9.6
Depreciation & Amortization	2,092	2,231	2,883	3,163
EBIT	16,382	15,915	18,226	19,743
Interest expenditure	5,951	6,492	6,657	6,935
Other Non-operating Income	-	1,440	735	735
Recurring PBT	**11,672**	**10,982**	**12,454**	**13,744**
Profit / (Loss) from Associates	**-**	**-**	**-**	**-**
Less: Taxes	3,297	3,075	3,487	3,848
PAT	8,375	7,907	8,967	9,896
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	(1,494)	-	-	-
Net Income (Reported)	**6,880**	**7,907**	**8,967**	**9,896**
Net Income (Adjusted)	**8,375**	**7,907**	**8,967**	**9,896**

Source Company data, I-Sec research

Exhibit 109: Balance sheet

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Total Current Assets	1,40,193	1,61,323	1,78,935	1,97,115
of which cash & cash eqv.	10,441	8,343	8,761	10,790
Total Current Liabilities & Provisions	95,183	1,07,416	1,19,644	1,31,382
Net Current Assets	**45,010**	**53,906**	**59,291**	**65,733**
Investments	12,856	9,192	9,192	9,192
Net Fixed Assets	11,925	17,852	18,969	19,805
ROU Assets	-	-	-	-
Capital Work-in-Progress	399	215	215	215
Total Intangible Assets	-	-	-	-
Other assets	7,400	7,400	7,400	7,400
Deferred Tax Assets	-	-	-	-
Total Assets	**77,590**	**88,566**	**95,067**	**1,02,346**
Liabilities				
Borrowings	**10,050**	**14,933**	**14,433**	**13,933**
Deferred Tax Liability	**(587)**	**(587)**	**(587)**	**(587)**
provisions	-	-	-	-
other Liabilities	-	-	-	-
Equity Share Capital	1,256	1,256	1,256	1,256
Reserves & Surplus	66,871	72,964	79,966	87,745
Total Net Worth	**68,127**	**74,220**	**81,221**	**89,000**
Minority Interest	-	-	-	-
Total Liabilities	**77,590**	**88,566**	**95,067**	**1,02,346**
Adjusted Net Profit				

Source Company data, I-Sec research

Exhibit 110: Cashflow statement

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Operating Cashflow	**11,993**	**(856)**	**6,884**	**8,645**
Working Capital Changes	1,526	(10,995)	(4,966)	(4,414)
Capital Commitments	(2,628)	(7,975)	(4,000)	(4,000)
Free Cashflow	**14,620**	**7,119**	**10,884**	**12,645**
Other investing cashflow	**-**	**-**	**-**	**-**
Cashflow from Investing Activities	(2,628)	(7,975)	(4,000)	(4,000)
Issue of Share Capital	-	-	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	(1,663)	(1,814)	(1,965)	(2,117)
Others	(3,717)	8,547	(500)	(500)
Cash flow from Financing Activities	(5,380)	6,732	(2,465)	(2,617)
Chg. in Cash & Bank balance	**3,985**	**(2,099)**	**419**	**2,028**
Closing cash & balance	10,441	8,343	8,761	10,790

Source Company data, I-Sec research

Exhibit 111: Key ratios

(Year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	13.3	12.6	14.3	15.8
Adjusted EPS (Diluted)	13.3	12.6	14.3	15.8
Cash EPS	16.7	16.1	18.9	20.8
Dividend per share (DPS)	2.2	2.4	2.6	2.8
Book Value per share (BV)	108.5	118.2	129.4	141.8
Dividend Payout (%)	16.5	19.1	18.2	17.8
Growth (%)				
Net Sales	0.4	0.1	0.1	0.1
EBITDA	0.4	0.0	0.2	0.1
EPS (INR)	0.5	(0.1)	0.1	0.1
Valuation Ratios (x)				
P/E	15.4	16.4	14.4	13.1
P/CEPS	12.4	12.8	10.9	9.9
P/BV	1.9	1.7	1.6	1.5
EV / EBITDA	6.3	7.0	6.0	5.4
P / Sales	0.7	0.7	0.6	0.5
Dividend Yield (%)	1.1	1.2	1.3	1.4
Operating Ratios				
Gross Profit Margins (%)	11.6	11.0	11.4	11.2
EBITDA Margins (%)	10.0	9.3	9.7	9.6
Effective Tax Rate (%)	28.2	28.0	28.0	28.0
Net Profit Margins (%)	4.5	4.1	4.1	4.1
NWC / Total Assets (%)	-	-	-	-
Net Debt / Equity (x)	(0.2)	0.0	0.0	(0.1)
Net Debt / EBITDA (x)	(0.7)	(0.1)	(0.2)	(0.3)
Profitability Ratios				
RoCE (%)	15.5	14.9	14.8	14.8
RoE (%)	12.8	11.1	11.5	11.6
RoIC (%)	15.5	14.9	14.8	14.8
Fixed Asset Turnover (x)	15.7	13.1	11.8	12.4
Inventory Turnover Days	33	32	33	33
Receivables Days	64	100	101	99
Payables Days	140	120	122	121

Source Company data, I-Sec research

GR Infraprojects Limited

Exhibit 112: Profit & Loss

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Net Sales	**77,880**	**63,861**	**76,634**	**88,129**
Operating Expenses	1,552	1,242	1,304	1,435
EBITDA	**11,354**	**8,105**	**9,274**	**10,824**
EBITDA Margin (%)	14.6	12.7	12.1	12.3
Depreciation & Amortization	2,442	2,586	2,728	2,942
EBIT	8,912	5,519	6,545	7,882
Interest expenditure	1,032	1,010	1,110	1,250
Other Non-operating Income	2,253	4,405	3,944	4,239
Recurring PBT	**10,133**	**8,914**	**9,379**	**10,871**
Profit / (Loss) from Associates	**-**	**-**	**-**	**-**
Less: Taxes	4,155	2,585	2,720	3,153
PAT	5,978	6,329	6,659	7,718
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	13,803	-	-	-
Net Income (Reported)	**19,780**	**6,329**	**6,659**	**7,718**
Net Income (Adjusted)	**19,780**	**6,329**	**6,659**	**7,718**

Source Company data, I-Sec research

Exhibit 113: Balance sheet

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Total Current Assets	54,239	70,266	82,597	94,653
of which cash & cash eqv.	2,594	24,915	26,720	26,802
Total Current Liabilities & Provisions	12,526	14,615	17,570	20,110
Net Current Assets	**41,713**	**55,651**	**65,027**	**74,543**
Investments	25,871	25,871	25,871	25,871
Net Fixed Assets	12,159	11,074	9,845	9,903
ROU Assets	-	-	-	-
Capital Work-in-Progress	754	594	594	594
Total Intangible Assets	-	-	-	-
Other assets	-	-	-	-
Deferred Tax Assets	922	-	-	3
Total Assets	**81,419**	**93,190**	**1,01,337**	**1,10,914**
Liabilities				
Borrowings	**7,389**	**13,179**	**15,015**	**17,219**
Deferred Tax Liability	**2,072**	**2,072**	**2,072**	**2,072**
provisions	-	-	-	1
other Liabilities	-	-	-	-
Equity Share Capital	483	483	483	483
Reserves & Surplus	71,474	77,455	83,766	91,137
Total Net Worth	**71,957**	**77,938**	**84,249**	**91,620**
Minority Interest	-	-	-	1
Total Liabilities	**81,419**	**93,190**	**1,01,337**	**1,10,914**
Adjusted Net Profit				

Source Company data, I-Sec research

Exhibit 114: Cashflow statement

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Operating Cashflow	**31,194**	**17,297**	**1,818**	**1,228**
Working Capital Changes	7,598	8,382	(7,570)	(9,434)
Capital Commitments	(1,174)	(418)	(1,500)	(3,000)
Free Cashflow	**32,367**	**17,715**	**3,318**	**4,228**
Other investing cashflow	**(25,014)**	**0**	**-**	**-**
Cashflow from Investing Activities	(26,187)	(418)	(1,500)	(3,000)
Issue of Share Capital	-	-	-	-
Interest Cost	(1,032)	(1,010)	(1,110)	(1,250)
Inc (Dec) in Borrowings	-	-	-	1
Dividend paid	-	(348)	(348)	(348)
Others	(28,578)	6,382	1,446	452
Cash flow from Financing Activities	(29,610)	5,024	(12)	(1,145)
Chg. in Cash & Bank balance	**1,584**	**22,321**	**1,805**	**82**
Closing cash & balance	2,594	24,915	26,720	26,802

Source Company data, I-Sec research

Exhibit 115: Key ratios

(Year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	61.8	65.5	68.9	79.8
Adjusted EPS (Diluted)	204.6	65.5	68.9	79.8
Cash EPS	229.8	92.2	97.1	110.3
Dividend per share (DPS)	-	3.6	3.6	3.6
Book Value per share (BV)	744.2	806.1	871.3	947.6
Dividend Payout (%)	-	5.5	5.2	4.5
Growth (%)				
Net Sales	0.0	(0.2)	0.2	0.2
EBITDA	0.2	(0.3)	0.1	0.2
EPS (INR)	0.1	0.1	0.1	0.2
Valuation Ratios (x)				
P/E	16.5	15.6	14.8	12.8
P/CEPS	4.4	11.1	10.5	9.2
P/BV	1.4	1.3	1.2	1.1
EV / EBITDA	6.8	7.5	6.6	5.8
P / Sales	1.3	1.5	1.3	1.1
Dividend Yield (%)	-	0.4	0.4	0.4
Operating Ratios				
Gross Profit Margins (%)	16.6	14.6	13.8	13.9
EBITDA Margins (%)	14.6	12.7	12.1	12.3
Effective Tax Rate (%)	41.0	29.0	29.0	29.0
Net Profit Margins (%)	7.7	9.9	8.7	8.8
NWC / Total Assets (%)	48.0	33.0	37.8	43.0
Net Debt / Equity (x)	(29.3)	(48.3)	(44.6)	(38.7)
Net Debt / EBITDA (x)	(185.6)	(464.0)	(405.2)	(327.6)
Profitability Ratios				
RoCE (%)	9.3	8.3	7.8	8.3
RoE (%)	9.6	8.4	8.2	8.8
RoIC (%)	9.3	8.3	7.8	8.3
Fixed Asset Turnover (x)	5.9	5.5	7.3	8.9
Inventory Turnover Days	37	45	55	54
Receivables Days	83	63	71	75
Payables Days	38	41	50	49

Source Company data, I-Sec research

Power Mech Projects Limited

Exhibit 116: Profit & Loss

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Net Sales	**42,067**	**50,480**	**63,100**	**82,030**
Operating Expenses	6,364	7,331	9,401	11,618
EBITDA	**4,960**	**6,299**	**7,951**	**10,940**
EBITDA Margin (%)	11.8	12.5	12.6	13.3
Depreciation & Amortization	440	476	704	1,054
EBIT	4,520	5,823	7,248	9,886
Interest expenditure	718	677	900	1,318
Other Non-operating Income	278	516	254	305
Recurring PBT	**4,080**	**5,661**	**6,602**	**8,874**
Profit / (Loss) from Associates	**-**	**-**	**-**	**-**
Less: Taxes	1,336	1,398	1,631	2,192
PAT	2,744	4,263	4,971	6,682
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	**2,744**	**4,263**	**4,971**	**6,682**
Net Income (Adjusted)	**2,744**	**4,263**	**4,971**	**6,682**

Source Company data, I-Sec research

Exhibit 117: Balance sheet

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Total Current Assets	28,938	34,273	40,438	50,682
of which cash & cash eqv.	4,798	7,686	10,254	15,148
Total Current Liabilities & Provisions	10,634	12,120	14,432	17,839
Net Current Assets	**18,304**	**22,152**	**26,006**	**32,843**
Investments	362	370	377	385
Net Fixed Assets	2,288	2,362	5,158	7,604
ROU Assets	-	-	-	-
Capital Work-in-Progress	113	115	117	120
Total Intangible Assets	-	-	-	-
Other assets	3,975	4,054	4,134	4,216
Deferred Tax Assets	-	-	-	-
Total Assets	**25,041**	**29,052**	**35,792**	**45,168**
Liabilities				
Borrowings	**3,918**	**3,957**	**5,935**	**8,903**
Deferred Tax Liability	**-**	**-**	**-**	**-**
provisions	-	-	-	-
other Liabilities	2,727	2,710	2,691	2,664
Equity Share Capital	158	316	316	316
Reserves & Surplus	18,222	22,053	26,834	33,269
Total Net Worth	**18,380**	**22,369**	**27,150**	**33,585**
Minority Interest	16	16	16	16
Total Liabilities	**25,041**	**29,052**	**35,792**	**45,168**
Adjusted Net Profit				

Source Company data, I-Sec research

Exhibit 118: Cashflow statement

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Operating Cashflow	**1,130**	**3,302**	**3,685**	**4,738**
Working Capital Changes	(1,614)	(961)	(1,286)	(1,944)
Capital Commitments	(510)	(76)	(2,799)	(2,449)
Free Cashflow	**1,640**	**3,378**	**6,484**	**7,187**
Other investing cashflow	**-**	**-**	**-**	**-**
Cashflow from Investing Activities	(510)	(76)	(2,799)	(2,449)
Issue of Share Capital	2,882	(274)	(190)	(247)
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	(834)	39	1,978	2,968
Dividend paid	-	-	-	-
Others	412	(103)	(108)	(116)
Cash flow from Financing Activities	2,460	(338)	1,681	2,605
Chg. in Cash & Bank balance	**3,080**	**2,888**	**2,567**	**4,894**
Closing cash & balance	4,795	7,686	10,254	15,148

Source Company data, I-Sec research

Exhibit 119: Key ratios

(Year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	173.5	134.8	157.2	211.3
Adjusted EPS (Diluted)	173.5	134.8	157.2	211.3
Cash EPS	201.4	149.9	179.5	244.6
Dividend per share (DPS)	2.4	8.4	6.0	7.8
Book Value per share (BV)	1,162.6	707.4	858.6	1,062.2
Dividend Payout (%)	1.4	6.2	3.8	3.7
Growth (%)				
Net Sales	16.8	20.0	25.0	30.0
EBITDA	22.9	27.0	26.2	37.6
EPS (INR)	5.6	(22.3)	16.6	34.4
Valuation Ratios (x)				
P/E	12.5	16.1	13.8	10.3
P/CEPS	10.8	14.5	12.1	8.9
P/BV	1.9	3.1	2.5	2.0
EV / EBITDA	6.7	10.2	8.0	5.7
P / Sales	0.8	1.4	1.1	0.8
Dividend Yield (%)	0.1	0.4	0.3	0.4
Operating Ratios				
Gross Profit Margins (%)	26.9	27.0	27.5	27.5
EBITDA Margins (%)	11.8	12.5	12.6	13.3
Effective Tax Rate (%)	32.7	24.7	24.7	24.7
Net Profit Margins (%)	6.5	8.4	7.9	8.1
NWC / Total Assets (%)	0.1	0.1	-	-
Net Debt / Equity (x)	(0.1)	(0.2)	(0.2)	(0.2)
Net Debt / EBITDA (x)	(0.3)	(0.7)	(0.6)	(0.6)
Profitability Ratios				
RoCE (%)	16.2	19.6	19.0	20.3
RoE (%)	17.6	20.9	20.1	22.0
RoIC (%)	16.2	19.6	19.0	20.3
Fixed Asset Turnover (x)	20.3	21.7	16.8	12.9
Inventory Turnover Days	11	12	12	12
Receivables Days	97	98	100	102
Payables Days	67	68	70	72

Source Company data, I-Sec research

PNC Infratech Limited

Exhibit 120: Profit & Loss

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Net Sales	**74,022**	**59,355**	**62,341**	**71,655**
Operating Expenses	3,556	3,998	4,398	4,837
EBITDA	**9,804**	**6,716**	**6,855**	**8,096**
EBITDA Margin (%)	0.1	0.1	0.1	0.0
Depreciation & Amortization	1,033	1,059	1,179	1,299
EBIT	8,771	5,657	5,676	6,797
Interest expenditure	(658)	(699)	(750)	(806)
Other Non-operating Income	278	477	483	489
Recurring PBT	**8,391**	**5,435**	**5,409**	**6,480**
Profit / (Loss) from Associates	**-**	**-**	**-**	**-**
Less: Taxes	2,120	1,440	1,433	1,717
PAT	6,271	3,995	3,976	4,763
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	2,223	-	-	-
Net Income (Reported)	**8,493**	**3,995**	**3,976**	**4,763**
Net Income (Adjusted)	**6,271**	**3,995**	**3,976**	**4,763**

Source Company data, I-Sec research

Exhibit 121: Balance sheet

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Total Current Assets	46,691	37,528	35,451	35,401
of which cash & cash eqv.	7,110	3,899	523	(4,577)
Total Current Liabilities & Provisions	17,562	11,709	12,338	14,138
Net Current Assets	**29,129**	**25,819**	**23,113**	**21,264**
Investments	21,048	21,756	27,756	33,756
Net Fixed Assets	4,633	9,059	9,880	10,581
ROU Assets	-	-	-	-
Capital Work-in-Progress	-	62	62	62
Total Intangible Assets	-	-	-	-
Other assets	-	-	-	-
Deferred Tax Assets	-	-	-	-
Total Assets	**54,810**	**56,696**	**60,810**	**65,662**
Liabilities				
Borrowings	**234**	**5,147**	**5,647**	**6,147**
Deferred Tax Liability	**-**	**27**	**54**	**87**
provisions	53	43	46	52
other Liabilities	6,710	-	-	-
Equity Share Capital	513	513	513	513
Reserves & Surplus	47,300	50,965	54,550	58,863
Total Net Worth	**47,813**	**51,478**	**55,063**	**59,376**
Minority Interest	-	-	-	-
Total Liabilities	**54,810**	**56,696**	**60,810**	**65,662**
Adjusted Net Profit				

Source Company data, I-Sec research

Exhibit 122: Cashflow statement

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Operating Cashflow	**18,928**	**7,818**	**8,662**	**12,708**
Working Capital Changes	5,113	(89)	668	3,244
Capital Commitments	447	5,547	2,000	2,000
Free Cashflow	**18,481**	**2,271**	**6,662**	**10,708**
Other investing cashflow	**-**	**-**	**-**	**-**
Cashflow from Investing Activities	447	5,547	2,000	2,000
Issue of Share Capital	-	-	-	-
Interest Cost	(658)	(699)	(750)	(806)
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	(270)	(330)	(390)	(450)
Others	(11,056)	(3,056)	(7,165)	(16,195)
Cash flow from Financing Activities	(11,984)	(4,085)	(8,305)	(17,451)
Chg. in Cash & Bank balance	**6,944**	**3,733**	**357**	**(4,743)**
Closing cash & balance	7,110	3,899	523	(4,577)

Source Company data, I-Sec research

Exhibit 123: Key ratios

(Year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	24.4	15.6	15.5	0.1
Adjusted EPS (Diluted)	24.4	15.6	15.5	0.1
Cash EPS	28.5	19.7	20.1	23.6
Dividend per share (DPS)	(0.9)	(1.1)	(1.3)	(1.5)
Book Value per share (BV)	186.4	200.7	214.6	231.4
Dividend Payout (%)	0.0	(0.1)	(0.1)	0.0
Growth (%)				
Net Sales	0.1	(0.2)	0.1	0.0
EBITDA	0.1	(0.3)	0.0	0.0
EPS (INR)	0.1	(0.4)	0.0	0.0
Valuation Ratios (x)				
P/E	11.2	17.6	17.7	5,083.4
P/CEPS	9.6	13.9	13.6	11.6
P/BV	1.5	1.4	1.3	1.2
EV / EBITDA	4.3	7.4	6.9	(2.8)
P / Sales	0.9	1.2	1.1	-
Dividend Yield (%)	0.0	0.0	0.0	0.0
Operating Ratios				
Gross Profit Margins (%)	0.2	0.2	0.2	0.0
EBITDA Margins (%)	0.1	0.1	0.1	0.0
Effective Tax Rate (%)	0.3	0.3	0.3	0.0
Net Profit Margins (%)	0.1	0.1	0.1	0.0
NWC / Total Assets (%)	0.4	0.4	0.4	-
Net Debt / Equity (x)	(0.6)	(0.4)	(0.4)	10.7
Net Debt / EBITDA (x)	(2.8)	(3.1)	(3.3)	50.4
Profitability Ratios				
RoCE (%)	0.2	0.1	0.1	(0.3)
RoE (%)	0.1	0.1	0.1	0.1
RoIC (%)	0.2	0.1	0.1	0.1
Fixed Asset Turnover (x)	15.0	8.7	6.6	(5.1)
Inventory Turnover Days	39	34	40	41
Receivables Days	99	71	82	86
Payables Days	47	30	34	36

Source Company data, I-Sec research

HG Infra Engineering Limited

Exhibit 124: Profit & Loss

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Net Sales	**51,217**	**60,437**	**69,502**	**76,452**
Operating Expenses	927	1,093	1,257	1,383
EBITDA	**8,220**	**9,872**	**10,765**	**11,387**
EBITDA Margin (%)	0.2	0.2	0.2	0.1
Depreciation & Amortization	1,412	1,537	1,657	1,777
EBIT	6,808	8,335	9,108	9,610
Interest expenditure	(810)	(850)	(950)	(1,050)
Other Non-operating Income	126	139	152	168
Recurring PBT	**6,124**	**7,624**	**8,310**	**8,728**
Profit / (Loss) from Associates	**-**	**-**	**-**	**-**
Less: Taxes	1,737	2,058	2,244	2,356
PAT	4,387	5,565	6,067	6,371
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	**4,387**	**5,565**	**6,067**	**6,371**
Net Income (Adjusted)	**4,387**	**5,565**	**6,067**	**6,371**

Source Company data, I-Sec research

Exhibit 125: Balance sheet

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Total Current Assets	25,777	33,639	37,899	42,053
of which cash & cash eqv.	1,993	2,417	3,450	5,126
Total Current Liabilities & Provisions	15,384	17,731	20,267	22,272
Net Current Assets	**10,394**	**15,908**	**17,632**	**19,781**
Investments	-	-	-	-
Net Fixed Assets	7,304	5,897	5,240	4,462
ROU Assets	-	-	-	-
Capital Work-in-Progress	6,362	9,362	14,362	19,362
Total Intangible Assets	-	-	-	-
Other assets	1,570	-	-	-
Deferred Tax Assets	-	-	-	-
Total Assets	**25,629**	**31,167**	**37,233**	**43,605**
Liabilities				
Borrowings	**1,501**	**2,417**	**2,417**	**2,417**
Deferred Tax Liability	**-**	**-**	**-**	**-**
provisions	-	-	-	-
other Liabilities	943	-	-	-
Equity Share Capital	651	651	651	651
Reserves & Surplus	22,534	28,099	34,166	40,537
Total Net Worth	**23,185**	**28,750**	**34,817**	**41,188**
Minority Interest	-	-	-	-
Total Liabilities	**25,629**	**31,167**	**37,233**	**43,605**
Adjusted Net Profit				

Source Company data, I-Sec research

Exhibit 126: Cashflow statement

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Operating Cashflow	**8,822**	**1,870**	**6,884**	**7,519**
Working Capital Changes	1,956	(5,233)	(840)	(630)
Capital Commitments	(1,830)	(131)	(1,000)	(1,000)
Free Cashflow	**10,652**	**2,001**	**7,884**	**8,519**
Other investing cashflow	**1,171**	**(3,000)**	**(5,000)**	**(5,000)**
Cashflow from Investing Activities	(658)	(3,131)	(6,000)	(6,000)
Issue of Share Capital	-	-	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	(859)	915	-	-
Dividend paid	-	-	-	-
Others	199	199	199	199
Cash flow from Financing Activities	(660)	1,114	199	199
Chg. in Cash & Bank balance	**7,504**	**(147)**	**1,083**	**1,718**
Closing cash & balance	6,937	345	1,083	2,752

Source Company data, I-Sec research

Exhibit 127: Key ratios

(Year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	67.3	85.4	93.1	97.8
Adjusted EPS (Diluted)	67.3	85.4	93.1	97.8
Cash EPS	89.0	109.0	118.5	125.0
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	355.8	441.2	534.2	632.0
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	0.2	0.2	0.2	0.1
EBITDA	0.2	0.2	0.1	0.1
EPS (INR)	0.1	0.3	0.1	0.1
Valuation Ratios (x)				
P/E	16.8	13.2	12.1	11.5
P/CEPS	12.7	10.3	9.5	9.0
P/BV	3.2	2.6	2.1	1.8
EV / EBITDA	8.9	7.4	6.7	6.2
P / Sales	1.4	1.2	1.1	1.0
Dividend Yield (%)	-	-	-	-
Operating Ratios				
Gross Profit Margins (%)	0.2	0.2	0.2	0.2
EBITDA Margins (%)	0.2	0.2	0.2	0.1
Effective Tax Rate (%)	0.3	0.3	0.3	0.3
Net Profit Margins (%)	0.1	0.1	0.1	0.1
NWC / Total Assets (%)	-	-	-	-
Net Debt / Equity (x)	0.0	0.0	0.0	(0.1)
Net Debt / EBITDA (x)	(0.1)	0.0	(0.1)	(0.2)
Profitability Ratios				
RoCE (%)	0.2	0.2	0.2	0.2
RoE (%)	0.2	0.2	0.2	0.2
RoIC (%)	0.2	0.2	0.2	0.2
Fixed Asset Turnover (x)	7.6	9.2	12.5	15.8
Inventory Turnover Days	23	23	23	22
Receivables Days	70	103	102	100
Payables Days	64	64	64	63

Source Company data, I-Sec research

KNR Construction Limited

Exhibit 128: Profit & Loss

(INR mn, year ending Mar-31)

	FY21A	FY22A	FY23A	FY24A
Net Sales	**27,028**	**32,642**	**37,198**	**40,591**
Operating Expenses	2,982	2,529	2,715	4,670
EBITDA	**5,359**	**6,693**	**6,977**	**6,691**
EBITDA Margin (%)	0.2	0.2	0.2	0.2
Depreciation & Amortization	1,444	1,346	1,474	1,245
EBIT	3,915	5,347	5,503	5,446
Interest expenditure	(487)	(275)	(393)	(293)
Other Non-operating Income	490	409	554	1,415
Recurring PBT	**3,925**	**5,489**	**5,671**	**6,575**
Profit / (Loss) from Associates	**-**	**-**	**-**	**-**
Less: Taxes	1,176	1,856	1,472	1,875
PAT	2,749	3,634	4,198	4,700
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	**2,749**	**3,634**	**4,198**	**4,700**
Net Income (Adjusted)	**2,749**	**3,634**	**4,198**	**4,700**

Source Company data, I-Sec research

Exhibit 129: Balance sheet

(INR mn, year ending Mar-31)

	FY21A	FY22A	FY23A	FY24A
Total Current Assets	18,748	22,182	25,685	29,999
of which cash & cash eqv.	1,173	1,733	1,998	2,346
Total Current Liabilities & Provisions	10,518	10,875	9,651	10,121
Net Current Assets	**8,230**	**11,307**	**16,034**	**19,878**
Investments	5,278	5,486	5,903	7,283
Net Fixed Assets	3,378	4,237	4,154	3,706
ROU Assets	-	-	-	-
Capital Work-in-Progress	24	206	25	22
Total Intangible Assets	-	-	-	-
Other assets	-	-	-	-
Deferred Tax Assets	1,486	1,183	1,229	1,367
Total Assets	**18,395**	**22,420**	**27,345**	**32,257**
Liabilities				
Borrowings	**7**	**-**	**3**	**-**
Deferred Tax Liability	**-**	**-**	**-**	**-**
provisions	-	-	-	-
other Liabilities	-	-	-	-
Equity Share Capital	562	562	562	562
Reserves & Surplus	18,116	21,857	26,780	31,694
Total Net Worth	**18,678**	**22,420**	**27,343**	**32,257**
Minority Interest	-	-	-	-
Total Liabilities	**18,685**	**22,420**	**27,345**	**32,257**
Adjusted Net Profit				

Source Company data, I-Sec research

Exhibit 130: Cashflow statement

(INR mn, year ending Mar-31)

	FY21A	FY22A	FY23A	FY24A
Operating Cashflow	**1,360**	**2,948**	**1,944**	**2,533**
Working Capital Changes	(2,304)	(2,534)	(4,462)	(3,496)
Capital Commitments	(965)	(2,389)	(1,209)	(794)
Free Cashflow	**2,325**	**5,337**	**3,153**	**3,327**
Other investing cashflow	**2,544**	**(209)**	**(416)**	**(1,381)**
Cashflow from Investing Activities	1,579	(2,597)	(1,626)	(2,174)
Issue of Share Capital	2	-	2	4
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	(2,134)	(7)	3	(3)
Dividend paid	(16)	-	(16)	(16)
Others	108	40	42	44
Cash flow from Financing Activities	(2,041)	33	30	29
Chg. in Cash & Bank balance	**898**	**384**	**348**	**388**
Closing cash & balance	(912)	1,550	2,081	2,384

Source Company data, I-Sec research

Exhibit 131: Key ratios

(Year ending Mar-31)

	FY21A	FY22A	FY23A	FY24A
Per Share Data (INR)				
Reported EPS	9.8	12.9	14.9	16.7
Adjusted EPS (Diluted)	9.8	12.9	14.9	16.7
Cash EPS	14.9	17.7	20.2	21.1
Dividend per share (DPS)	-	(0.1)	(0.1)	(0.1)
Book Value per share (BV)	66.4	79.7	97.2	114.7
Dividend Payout (%)	-	0.0	0.0	0.0
Growth (%)				
Net Sales	0.2	0.2	0.1	0.1
EBITDA	0.1	0.2	0.0	0.0
EPS (INR)	0.2	0.3	0.2	0.1
Valuation Ratios (x)				
P/E	24.9	18.8	16.3	14.6
P/CEPS	16.3	13.7	12.1	11.5
P/BV	3.7	3.1	2.5	2.1
EV / EBITDA	11.6	9.2	8.7	8.8
P / Sales	2.5	2.1	1.8	1.7
Dividend Yield (%)	-	0.0	0.0	0.0
Operating Ratios				
Gross Profit Margins (%)	0.3	0.3	0.3	0.3
EBITDA Margins (%)	0.2	0.2	0.2	0.2
Effective Tax Rate (%)	0.3	0.3	0.3	0.3
Net Profit Margins (%)	0.1	0.1	0.1	0.1
NWC / Total Assets (%)	-	-	-	-
Net Debt / Equity (x)	(0.3)	(0.3)	(0.3)	(0.3)
Net Debt / EBITDA (x)	(1.2)	(1.1)	(1.1)	(1.4)
Profitability Ratios				
RoCE (%)	0.2	0.2	0.2	0.2
RoE (%)	0.2	0.2	0.2	0.2
RoIC (%)	0.2	0.2	0.2	0.2
Fixed Asset Turnover (x)	7.6	8.6	8.9	10.3
Inventory Turnover Days	22	28	24	21
Receivables Days	127	104	106	132
Payables Days	35	36	39	26

Source Company data, I-Sec research

Ashoka Buildcon Limited

Exhibit 132: Profit & Loss

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Net Sales	**77,267**	**77,497**	**88,245**	**97,070**
Operating Expenses	2,016	2,177	2,351	2,539
EBITDA	**6,325**	**6,425**	**7,054**	**7,993**
EBITDA Margin (%)	8.2	8.3	8.0	8.2
Depreciation & Amortization	1,046	1,013	1,078	1,143
EBIT	5,279	5,412	5,976	6,850
Interest expenditure	(2,281)	(2,563)	(2,314)	(2,406)
Other Non-operating Income	1,149	1,349	1,194	1,230
Recurring PBT	**4,146**	**4,197**	**4,856**	**5,675**
Profit / (Loss) from Associates	**-**	**-**	**-**	**-**
Less: Taxes	894	1,119	1,243	1,453
PAT	3,253	3,078	3,613	4,222
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	1,173	-	-	-
Net Income (Reported)	**4,426**	**3,078**	**3,613**	**4,222**
Net Income (Adjusted)	**3,546**	**3,078**	**3,613**	**4,222**

Source Company data, I-Sec research

Exhibit 133: Balance sheet

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Total Current Assets	66,779	70,185	75,731	82,154
of which cash & cash eqv.	5,106	5,661	5,042	6,715
Total Current Liabilities & Provisions	32,994	33,676	37,410	40,779
Net Current Assets	**33,784**	**36,510**	**38,321**	**41,374**
Investments	14,799	14,799	14,799	14,799
Net Fixed Assets	3,206	3,455	4,383	4,658
ROU Assets	-	-	-	-
Capital Work-in-Progress	22	150	150	150
Total Intangible Assets	-	-	-	-
Other assets	1,642	-	-	-
Deferred Tax Assets	-	-	-	-
Total Assets	**53,454**	**54,914**	**57,653**	**60,981**
Liabilities				
Borrowings	**14,427**	**14,427**	**14,427**	**14,427**
Deferred Tax Liability	**(891)**	**(891)**	**(891)**	**(891)**
provisions	1,201	964	878	772
other Liabilities	592	-	-	-
Equity Share Capital	1,404	1,404	1,404	1,404
Reserves & Surplus	36,721	39,011	41,836	45,270
Total Net Worth	**38,125**	**40,415**	**43,239**	**46,673**
Minority Interest	-	-	-	-
Total Liabilities	**53,454**	**54,914**	**57,653**	**60,981**
Adjusted Net Profit				

Source Company data, I-Sec research

Exhibit 134: Cashflow statement

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Operating Cashflow	**479**	**1,683**	**2,175**	**3,880**
Working Capital Changes	(3,820)	(2,408)	(2,516)	(1,485)
Capital Commitments	(1,218)	(1,390)	(2,006)	(1,418)
Free Cashflow	**1,697**	**3,073**	**4,181**	**5,298**
Other investing cashflow	**-**	**-**	**-**	**-**
Cashflow from Investing Activities	(1,218)	(1,390)	(2,006)	(1,418)
Issue of Share Capital	-	-	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	4,042	-	-	-
Dividend paid	(788)	(788)	(788)	(788)
Others	726	1,050	0	0
Cash flow from Financing Activities	3,980	262	(788)	(788)
Chg. in Cash & Bank balance	**3,241**	**555**	**(619)**	**1,673**
Closing cash & balance	5,106	5,661	5,042	6,715

Source Company data, I-Sec research

Exhibit 135: Key ratios

(Year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	11.6	11.0	12.9	15.0
Adjusted EPS (Diluted)	12.6	11.0	12.9	15.0
Cash EPS	16.4	14.6	16.7	19.1
Dividend per share (DPS)	(2.4)	(2.4)	(2.4)	(2.4)
Book Value per share (BV)	135.8	144.0	154.0	166.3
Dividend Payout (%)	(20.7)	(21.9)	(18.6)	(16.0)
Growth (%)				
Net Sales	21.3	0.3	13.9	10.0
EBITDA	18.5	1.6	9.8	13.3
EPS (INR)	1.0	(5.4)	17.4	16.9
Valuation Ratios (x)				
P/E	16.6	17.6	15.0	12.8
P/CEPS	11.8	13.2	11.5	10.1
P/BV	1.4	1.3	1.2	1.2
EV / EBITDA	7.7	7.5	6.9	5.9
P / Sales	0.7	0.7	0.6	0.6
Dividend Yield (%)	(1.2)	(1.2)	(1.2)	(1.2)
Operating Ratios				
Gross Profit Margins (%)	10.8	11.1	10.7	10.9
EBITDA Margins (%)	8.2	8.3	8.0	8.2
Effective Tax Rate (%)	21.6	26.7	25.6	25.6
Net Profit Margins (%)	4.2	4.0	4.1	4.3
NWC / Total Assets (%)	14.0	14.1	-	-
Net Debt / Equity (x)	(0.1)	(0.1)	(0.1)	(0.2)
Net Debt / EBITDA (x)	(0.9)	(0.9)	(0.8)	(0.9)
Profitability Ratios				
RoCE (%)	10.4	9.2	9.5	10.1
RoE (%)	9.9	7.8	8.6	9.4
RoIC (%)	10.4	9.2	9.5	10.1
Fixed Asset Turnover (x)	25.9	23.3	22.5	21.5
Inventory Turnover Days	22	20	22	21
Receivables Days	74	72	91	89
Payables Days	70	64	66	65

Source Company data, I-Sec research

Ahluwalia Contracts India Limited

Exhibit 136: Profit & Loss

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Net Sales	**38,553**	**42,023**	**50,427**	**62,530**
Operating Expenses	3,432	4,004	4,480	5,055
EBITDA	**3,885**	**3,434**	**5,606**	**7,138**
EBITDA Margin (%)	0.1	0.1	0.1	0.0
Depreciation & Amortization	669	699	793	994
EBIT	3,217	2,735	4,812	6,145
Interest expenditure	481	617	797	978
Other Non-operating Income	366	518	503	588
Recurring PBT	**3,698**	**3,353**	**5,609**	**7,122**
Profit / (Loss) from Associates	**-**	**-**	**-**	**-**
Less: Taxes	809	699	1,197	1,525
PAT	2,889	2,654	4,412	5,597
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	1,462	-	-	-
Net Income (Reported)	**4,352**	**2,654**	**4,412**	**5,597**
Net Income (Adjusted)	**2,889**	**2,654**	**4,412**	**5,597**

Source Company data, I-Sec research

Exhibit 137: Balance sheet

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Total Current Assets	28,268	31,850	37,965	47,283
of which cash & cash eqv.	7,803	7,551	8,965	11,281
Total Current Liabilities & Provisions	15,493	18,214	21,597	26,850
Net Current Assets	**12,776**	**13,636**	**16,368**	**20,433**
Investments	915	915	915	915
Net Fixed Assets	2,382	3,423	3,880	3,886
ROU Assets	-	-	-	-
Capital Work-in-Progress	73	-	-	-
Total Intangible Assets	-	-	-	-
Other assets	-	-	-	-
Deferred Tax Assets	-	-	-	-
Total Assets	**16,146**	**17,974**	**21,163**	**25,234**
Liabilities				
Borrowings	**450**	**400**	**350**	**300**
Deferred Tax Liability	**(325)**	**(312)**	**(290)**	**(261)**
provisions	-	-	-	-
other Liabilities	-	-	-	-
Equity Share Capital	134	134	134	134
Reserves & Surplus	15,887	17,752	20,969	25,062
Total Net Worth	**16,021**	**17,886**	**21,103**	**25,196**
Minority Interest	-	-	-	-
Total Liabilities	**16,146**	**17,974**	**21,163**	**25,234**
Adjusted Net Profit				

Source Company data, I-Sec research

Exhibit 138: Cashflow statement

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Operating Cashflow	**2,737**	**1,524**	**2,796**	**3,474**
Working Capital Changes	(1,687)	(1,112)	(1,318)	(1,749)
Capital Commitments	5	(269)	336	987
Free Cashflow	**2,732**	**1,793**	**2,460**	**2,487**
Other investing cashflow	**186**	**-**	**-**	**-**
Cashflow from Investing Activities	190	(269)	336	987
Issue of Share Capital	-	-	-	-
Interest Cost	481	617	797	978
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	(40)	(73)	(105)	(137)
Others	4,459	5,316	5,311	6,800
Cash flow from Financing Activities	4,900	5,861	6,003	7,641
Chg. in Cash & Bank balance	**7,637**	**7,385**	**8,799**	**11,115**
Closing cash & balance	7,803	7,551	8,965	11,281

Source Company data, I-Sec research

Exhibit 139: Key ratios

(Year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	43.1	39.6	65.9	0.0
Adjusted EPS (Diluted)	43.1	39.6	65.9	0.0
Cash EPS	53.1	50.1	77.7	98.4
Dividend per share (DPS)	0.5	0.9	1.3	1.7
Book Value per share (BV)	239.2	267.0	315.0	376.1
Dividend Payout (%)	0.0	0.0	0.0	0.0
Growth (%)				
Net Sales	0.4	0.1	0.2	0.0
EBITDA	0.3	(0.1)	0.6	0.0
EPS (INR)	0.3	(0.1)	0.7	0.0
Valuation Ratios (x)				
P/E	19.0	20.7	12.4	68,434.1
P/CEPS	15.4	16.4	10.5	8.3
P/BV	3.4	3.1	2.6	2.2
EV / EBITDA	12.0	13.6	8.1	(1.7)
P / Sales	1.4	1.3	1.1	-
Dividend Yield (%)	0.0	0.0	0.0	0.0
Operating Ratios				
Gross Profit Margins (%)	0.2	0.2	0.2	0.0
EBITDA Margins (%)	0.1	0.1	0.1	0.0
Effective Tax Rate (%)	0.2	0.2	0.2	0.0
Net Profit Margins (%)	0.1	0.1	0.1	0.0
NWC / Total Assets (%)	0.3	0.3	0.3	-
Net Debt / Equity (x)	(0.5)	(0.5)	(0.5)	85.1
Net Debt / EBITDA (x)	(2.1)	(2.3)	(1.7)	25.7
Profitability Ratios				
RoCE (%)	0.2	0.1	0.2	(0.6)
RoE (%)	0.2	0.2	0.2	0.2
RoIC (%)	0.2	0.1	0.2	0.3
Fixed Asset Turnover (x)	18.5	14.5	13.8	(7.0)
Inventory Turnover Days	34	43	44	45
Receivables Days	85	83	87	89
Payables Days	76	70	71	73

Source Company data, I-Sec research

Ceigall India Limited

Exhibit 140: Profit & Loss

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Net Sales	**29,547**	**33,093**	**38,057**	**44,146**
Operating Expenses	1,448	1,863	2,063	2,480
EBITDA	**4,386**	**4,465**	**5,062**	**5,954**
EBITDA Margin (%)	14.8	13.5	13.3	13.5
Depreciation & Amortization	464	545	618	603
EBIT	3,922	3,920	4,444	5,350
Interest expenditure	612	658	290	179
Other Non-operating Income	370	463	381	191
Recurring PBT	**3,680**	**3,726**	**4,535**	**5,362**
Profit / (Loss) from Associates	**-**	**-**	**-**	**-**
Less: Taxes	910	939	1,143	1,351
PAT	2,770	2,787	3,392	4,010
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	**2,770**	**2,787**	**3,392**	**4,010**
Net Income (Adjusted)	**2,770**	**2,787**	**3,392**	**4,010**

Source Company data, I-Sec research

Exhibit 141: Balance sheet

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Total Current Assets	14,031	18,194	17,129	19,254
of which cash & cash eqv.	3,282	5,873	2,960	2,818
Total Current Liabilities & Provisions	5,753	5,840	6,716	7,790
Net Current Assets	**8,277**	**12,354**	**10,413**	**11,463**
Investments	2,766	4,916	8,784	11,855
Net Fixed Assets	2,751	3,021	3,297	2,993
ROU Assets	-	-	-	-
Capital Work-in-Progress	20	-	-	-
Total Intangible Assets	-	-	-	-
Other assets	117	117	117	117
Deferred Tax Assets	-	-	-	-
Total Assets	**13,932**	**20,407**	**22,610**	**26,428**
Liabilities				
Borrowings	**5,069**	**2,666**	**1,477**	**1,285**
Deferred Tax Liability	**-**	**-**	**-**	**-**
provisions	-	-	-	-
other Liabilities	78	-	-	-
Equity Share Capital	786	870	870	870
Reserves & Surplus	7,999	16,872	20,264	24,274
Total Net Worth	**8,785**	**17,741**	**21,133**	**25,144**
Minority Interest	-	-	-	-
Total Liabilities	**13,932**	**20,407**	**22,610**	**26,428**
Adjusted Net Profit				

Source Company data, I-Sec research

Exhibit 142: Cashflow statement

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Operating Cashflow	**3,234**	**3,332**	**4,010**	**4,614**
Working Capital Changes	-	-	-	-
Capital Commitments	(728)	(794)	(894)	(300)
Free Cashflow	**3,962**	**4,126**	**4,904**	**4,914**
Other investing cashflow	**27**	**(78)**	**-**	**-**
Cashflow from Investing Activities	(701)	(872)	(894)	(300)
Issue of Share Capital	(116)	6,170	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	421	(2,403)	(1,189)	(192)
Dividend paid	-	-	-	-
Others	3,148	3,635	4,840	4,264
Cash flow from Financing Activities	3,453	7,402	3,651	4,071
Chg. in Cash & Bank balance	**(311)**	**2,591**	**(2,914)**	**(142)**
Closing cash & balance	3,282	5,873	2,960	2,818

Source Company data, I-Sec research

Exhibit 143: Key ratios

(Year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	17.6	16.0	19.5	23.1
Adjusted EPS (Diluted)	17.6	16.0	19.5	23.1
Cash EPS	20.6	19.2	23.1	26.5
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	55.9	102.0	121.5	144.6
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	0.4	0.1	0.2	0.2
EBITDA	0.5	0.0	0.1	0.2
EPS (INR)	(0.3)	(0.1)	0.2	0.2
Valuation Ratios (x)				
P/E	-	-	-	-
P/CEPS	-	-	-	-
P/BV	-	-	-	-
EV / EBITDA	10.0	9.3	7.8	6.1
P / Sales	1.5	1.5	1.3	1.1
Dividend Yield (%)	-	-	-	-
Operating Ratios				
Gross Profit Margins (%)	19.7	19.1	18.7	19.1
EBITDA Margins (%)	14.8	13.5	13.3	13.5
Effective Tax Rate (%)	24.7	25.2	25.2	25.2
Net Profit Margins (%)	9.4	8.4	8.9	9.1
NWC / Total Assets (%)	35.9	31.8	33.0	32.7
Net Debt / Equity (x)	(11.1)	(45.8)	(48.6)	(53.2)
Net Debt / EBITDA (x)	(22.3)	(181.9)	(202.8)	(224.9)
Profitability Ratios				
RoCE (%)	26.2	19.1	16.8	16.9
RoE (%)	37.1	21.0	17.5	17.3
RoIC (%)	26.2	19.1	16.8	16.9
Fixed Asset Turnover (x)	11.3	11.5	12.0	14.0
Inventory Turnover Days	15	20	20	20
Receivables Days	125	112	115	117
Payables Days	67	53	53	54

Source Company data, I-Sec research

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