

Q1FY26 Update | Infrastructure | 18 August 2025

H.G. Infra Engineering Ltd

Margin moderated; Future appears promising!

H.G. Infra Engineering Ltd (HG Infra) has presented a mixed performance for Q1FY26, with revenue growing at a healthy pace while margins have fallen below expectations. The management has highlighted that the lower margins are chiefly linked to certain provisions made for the Ganga Expressway project. That being stated, the outlook suggests stability in the margin at ~15-16%. Moreover, it is expected that execution to uphold its strong momentum, supported by a favourable order book position, with management predicting revenues of Rs70bn for FY26 and Rs80bn for FY27. Also, inflows are anticipated to remain healthy, based on the expectation of conversion of a strong project pipeline into orders, alongside ongoing diversification efforts. Nevertheless, the company's borrowings have remained elevated mainly due to rising working capital needs for newer projects and solar-related initiatives. Ahead, it is anticipated that these borrowings to stabilize by FY26-end with project completions. Furthermore, the monetization process for five HAM projects has commenced, subsequent to the execution of a binding agreement with an investor. Thus, the receipt of the funds to facilitate decline in debt, while the surplus will be utilized as a growth capital. Overall, the outlook is optimistic. Rating remains BUY.

Q1FY26 performance marked by healthy revenue growth, although margins have weakened

- Revenue from operations increased by 13.5% YoY to ~Rs17.1bn, primarily supported by improved execution of its comfortable order book position. Key projects such as Ganga Expressway, Khammam-Devarapalle, Raipur-Visakhapatnam and solar-related jobs were instrumental in achieving this growth. However, on a sequential basis, revenue experienced a decline of 13.4% due to seasonal factors.
- The gross margin has experienced a decline of 138bps YoY, mainly attributed to a substantial rise in raw material costs. This factor, combined with higher other expenses and increased provision for Ganga Expressway project, hold the key for reduction of the EBITDA margin to 13.8% (down 237bps YoY and 55bps QoQ). As a result, EBITDA has declined by 3.1% YoY and 16.7% QoQ to Rs2.4bn.
- On a net basis, the reported PAT has declined by 10.1% YoY and by 40.9% QoQ, to Rs1.3 bn. This decline is mainly due to muted operating performance, a sharp rise in interest expenses (true YoY) and decreased other income. Also, the company had recognized an exceptional item of Rs574mn in Q4 FY25 pertaining to the monetization of a HAM asset. When adjusted for this exceptional item, the decline in PAT gets adjusted to 25.9% sequentially.

Outlook and Valuation: HG Infra is strategically positioned to attain 15.1% revenue CAGR over FY25-27E, supported by ongoing execution momentum stemming from its healthy existing order book and expectations of better inflows. Further, margins are projected to remain elevated, with our expectation at ~15.3% in FY27. Consequently, EBITDA is expected to rise at a CAGR of 13.6%. Additionally, we foresee a 14.5% (adj.) PAT CAGR over FY25-27E, aided by managed depreciation and finance costs. At the CMP, the stock (excl. investments) is trading at 5.8x FY27E P/E. Based on a SOTP methodology, our target price is set at Rs1,779/share. **We continue to recommend a BUY.**

Standalone (Rs mn)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Q1FY26E	Var. (%)
Net Sales	17,092	15,059	13.5	19,730	(13.4)	16,968	0.7
Operating Cost	14,736	12,626	16.7	16,901	(12.8)		
EBITDA	2,357	2,433	(3.1)	2,829	(16.7)	2,579	(8.6)
EBITDA Margin (%)	13.8	16.2	(237) bps	14.3	(55) bps	15.2	
Depreciation	329	348	(5.4)	370	(11.1)		
Interest	376	220	70.8	415	(9.2)		
Other income	23	32	(28.1)	64	(64.5)		
Exceptional items	-	-	-	574	NA		
PBT	1,674	1,897	(11.7)	2,682	(37.6)		
Provision for tax	419	501	(16.4)	558	(24.9)		
Tax rate (%)	25.0	26.4	(139) bps	20.8	422 bps		
Reported PAT	1,255	1,395	(10.1)	2,124	(40.9)	1,338	(6.2)
RPAT Margin (%)	7.3	9.3	(193) bps	10.8	(342) bps		
Adjusted PAT	1,255	1,395	(10.1)	1,693	(25.9)	1,338	(6.2)

Source: Company, SMIFS research

Y/E Mar (Rs mn)	Revenue	YoY (%)	EBITDA	EBITDA margin (%)	Adj PAT	YoY (%)	Adj EPS	RoE (%)	RoCE (%)	Adj P/E (x)*	EV/EBITDA (x)*
FY23	44,185	22.2	7,103	16.1	4,214	24.4	64.7	26.8	23.6	10.8	6.6
FY24	51,217	15.9	8,220	16.0	4,645	10.2	71.3	22.7	20.8	12.7	7.2
FY25	60,519	18.2	9,507	15.7	5,337	14.9	81.9	20.5	18.4	17.0	9.6
FY26E	69,716	15.2	10,523	15.1	5,768	8.1	88.5	17.0	15.6	10.9	6.4
FY27E	80,129	14.9	12,276	15.3	6,992	21.2	107.3	16.4	15.8	9.0	5.5

Source: Company, SMIFS Research Estimates; *Not adjusted for investments



Rating: **BUY** Return: **85%**
Current Price: **961** Target Price: **1,779**

Earlier recommendation

Previous Rating: **BUY**
Previous Target Price: **1,872**

Source: SMIFS Research

Market data

Bloomberg: HGINFRA: IN
52-week H/L (Rs): 1,666/921
Mcap (Rs bn/USD Bn): 62.7/0.7
Shares outstanding (mn): 65.2
Free float: 28.2%
Avg. daily vol (3M): 134k
Face Value (Rs): 10.0

Source: Bloomberg, SMIFS Research

Shareholding pattern (%)

	Jun-25	Mar-25	Dec-24	Sep-24
Promoter	71.8	71.8	71.8	71.8
FII	2.4	2.9	2.8	2.6
DII	11.7	12.0	12.1	12.7
Public/others	14.1	13.3	13.3	12.9

Promoter pledging (%)

Pledging	-	-	-	-
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Source: BSE

Price performance (%) *

	1M	3M	12M	36M
NIFTY 50	-1.8	-0.1	2.0	39.2
NIFTY 500	-2.7	0.8	0.0	49.8
HGINFRA: IN	-11.0	-18.8	-36.7	64.5

*as on 14th Aug'25; Source: Ace Equity, SMIFS research

3 Year Price Performance Chart



Source: BSE

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Q1FY26— Key takeaways from the management call

- Industry update:** The awarding activities has been relatively subdued in Q1 FY26, with NHAI tendered only ~166 km during the period. This is primarily a result of the authority's strategy to commence bidding only after obtaining >80% of the required land. Nevertheless, the project pipeline remains robust, as NHAI aims to bid 124 projects (spanning ~6,376 km) valued at Rs3.4 trn during FY26. Among these, 84 projects (amounting to >Rs2 trn) are anticipated to be tendered under the HAM model, while 28 projects to be executed through the EPC and 12 under the BOT framework. Furthermore, NHAI has recently issued a notification concerning the enhancement of its bidding standards, which entails the requirement for additional performance security and more stringent eligibility criteria regarding network, among other factors. This is also expected to contribute to reduced and more systematic competition, in-turn, favouring prudent developers.
- Order book position:** The order book at Q1 FY26-end was recorded at ~Rs146.6bn, which corresponds to 2.3x TTM revenues. The Roads & Highways segment contributed Rs96.2bn (~29.8% under HAM of overall order book and ~35.8% under EPC mode). The Railways & metro-rail segment accounted for ~Rs29.1bn (19.9%). The Battery Energy Storage Systems (BESS) added ~Rs16.2bn (11.1%) while solar power plant related jobs contributed ~Rs5bn (3.4%). Geographically, Maharashtra made up ~34% of the order backlog, with Jharkhand and Gujarat each contributing ~16%, Uttar Pradesh at ~8%, and Delhi at ~7%, among other states.
- Inflows and order pipeline:** The company has secured total orders totaling to ~Rs11.1bn in Q1 FY26, which includes its first power (T&D) project valued at ~Rs3.5bn situated in Odisha. Additionally, the company has bagged: a) battery energy storage system (BESS) order of 300MW from Gujarat Urja Vikas Nigam Ltd worth ~Rs6.4bn, and b) an order from Military Engineering Services amounting to ~Rs1.2bn for integrated material handling facilities in Mumbai. Further, it has submitted bid for projects amounting to Rs160bn for which results are yet awaited. Also, the order pipeline remains robust across various targeted sectors, including: a) roads: plans to bid for orders totaling to Rs1trn across EPC and HAM, and b) railways and metro-rail: pipeline of ~Rs500bn for projects related to electrification, station redevelopment, track laying, and civil works. Also, the company aims to capture ~5% of the total BESS market share in India, while the T&D opportunity remains strong due to the government's vision for a green power grid, which involves significant investments in high-capacity lines and advanced substations. Consequently, the overall target for order inflows is set at ~Rs110bn for FY26, distributed across roads (Rs65bn), railways and metro-rail (Rs15bn), BESS (Rs20bn), and power T&D (Rs10bn).
- Revenue and margin guidance:** The management has reaffirmed its revenue guidance of Rs70bn for FY26 and Rs80bn for FY27. The company has indicated that most of the roads and solar projects currently (under construction) are at the advanced stages and are anticipated to be completed in FY26. Furthermore, it expects to generate revenue of Rs10bn from railways and metro-rail jobs in FY26. Additionally, it is considering ~Rs12bn of revenues from four HAM projects, where Appointed dates (AD) are still awaited. On margins, the company expects it to hover at ~15-16% for the rest of the year based on the current order book composition.
- Update on Road – EPC projects:** The Ganga Expressway project (project value: Rs44.2bn; outstanding: Rs1.2bn) has achieved ~97.4% completion and is expected to be fully completed by Q2 FY26. The Karala-Kanjhawala UER -1 project has been completed and is now awaiting the issuance of the completion certificate. The Kalimandir Dimma chowk elevated corridor (project value: 6.1bn; outstanding: Rs5.2bn) is currently at ~15.2% completion, whereas the Neelmangala–Tumkur project (project value: 8.4bn; outstanding: Rs4.1bn) has attained ~42.5% completion, benefiting from enhanced execution momentum. Nagpur- Chandrapur project (two packages; combined value: Rs4.1bn) is yet to receive the LOA due to the delays in the land acquisition process. At present, only 42% of the Right of Way (RoW) is available, whereas at least 70% is necessary for the issuance of the LOA.
- Update on Road – HAM projects:** The Karnal Munak Ring Road project (outstanding order value: Rs2bn), is currently at 77.1% completion and is anticipated to be completed in Q4 FY26. The Raipur–Visakhapatnam project, encompassing the OD-5 and OD-6 packages, has successfully received the PCOD, while the AP-1 package is approaching completion with a progress rate of ~95%. Management forecasts that the remaining work across all three packages, totaling Rs2.4 bn, will be completed by Q3 FY26. The Khammam–Davarapalle (Pkg I & II) packages are currently at 88.4% and 85.5% completion and are expected to be completed in Q2 FY26 and Q3 FY26,

respectively. Among the projects awaiting AD, the Varanasi–Ranchi–Kolkata (Packages 10 & 13; total value: 17.6 bn) and Kosi Parikrama–Ayodhya (Pkg VI; order value: Rs6.6bn) are projected to secure AD in Q3 FY26. As for the Narol Junction–Sarkhej project, financial closure has been achieved, and the AD is anticipated in Q2 FY26.

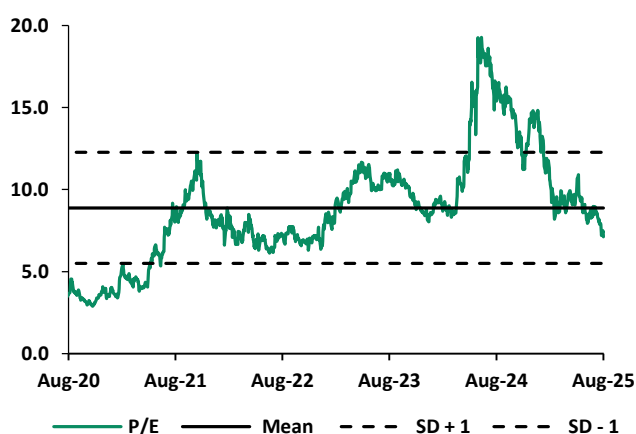
- Update on Railway and metro-rail projects:** The Delhi Metro project is currently 82.7% complete and is anticipated to be completed by Q3 FY26. The Bilaspur Viaduct stands at ~68.9% completion, while the redevelopment of Kanpur Station is at ~26.4%. Additionally, the Dhule–Nardana railway project has reached 13.1% completion. The AD for the redevelopment of New Delhi Station has been declared recently in Aug’25, with execution expected to commence soon.
- Update on solar projects:** As of Q1FY26-end, the company’s ongoing solar portfolio (183 projects with 700MW DC capacity and total EPC value of ~Rs22.4bn) had achieved ~78% physical progress. Further, debt funding of ~83% of the total project requirements has been sanctioned (actual disbursement: ~50%) while the remaining approvals and subsequent disbursements are anticipated to be finalized by Nov’25. With this, the company expects all solar related outstanding jobs get completed by Dec’25.
- Update on BESS projects:** The total contracted capacity for the BESS stands at 735MW, which is mainly for Gujarat Urja Vikas Nigam Ltd (550MW) and NTPC Vidyut Vyapar Nigam Ltd (185MW). The overall project cost for these initiatives amounts to ~Rs16.2bn. It has been noted that negotiations for the procurement of key components have commenced and are currently at an advanced stage, with a Tier-1 Chinese supplier having been shortlisted. Additionally, orders for power transmission and switching, among other components, are also anticipated to be finalized by Q2 FY26-end. With this, the execution is expected to ramp up ahead. Upon the successful completion and commissioning of all these BESS projects, the company anticipates an annual revenue of 2.3bn.
- Asset monetization:** The Board of Directors of the company has recently granted approval on 13th Aug’25, for the proposal to divest the company’s complete 100% equity stake in five SPVs associated with HAM projects. These include two packages for Khammam–Devarapalle and three packages for Raipur–Visakhapatnam: OD-5, OD-6, and AP-1. Moreover, it has been stated that a binding offer document has been signed with Neo Infra Income Opportunities Fund, and the SPA will be executed shortly. In relation to the proposal, the total enterprise value of all target SPVs combined is reported to be Rs35.8bn. The total expected equity investment in these projects is estimated at Rs7.7bn, while it is anticipated that Rs22bn will be injected as debt. Effectively, the equity consideration is evaluated at Rs13.8bn, compared to the equity investment of Rs7.7bn. This results in a 1.8x equity investment return. Overall, the transaction is expected to close by FY26-end, with the process of obtaining necessary approvals from lenders, NHAI, and other parties to begin soon. The proceeds are expected to strengthen the company’s balance sheet and will be allocated for growth funding.
- Equity requirement:** The company has projected a total equity requirement of ~Rs16.6bn for its existing 11 HAM projects, with ~Rs10bn already infused by Jun’25. It is anticipated that an additional Rs3.0bn will be invested in the remaining 9M FY26, followed by ~Rs1.8bn each in FY27 and FY28. Furthermore, the company plans to infuse the remaining Rs1.1bn (from a total anticipated Rs7.2bn) in FY26. Additionally, there is a requirement of Rs5bn for BESS projects, of which Rs10mn has been infused as equity till now. It is further projected that ~Rs1.2bn will be infused during FY26, with the balance to be infused in FY27 and FY28. In total, the company has a total equity requirement of ~Rs28.8bn across all projects, of which Rs16.1bn has been infused by Jun’25. Looking ahead, the company expects to infuse Rs5.3bn in the remaining 9M FY26, Rs3.3bn in FY27, and Rs4.2bn in FY28.
- Receivables:** At Q1 FY26-end, the receivables were recorded at ~Rs13.6bn, with the majority attributed to solar projects (~Rs4.4bn) and HAM projects (totaling Rs4.0bn). However, the company foresees a decrease in receivables as bank approvals for solar projects are finalized and majority of the disbursement will happen by Q3 FY26-end.

Outlook and Valuation

A healthy order backlog, along with the expectation of significant inflows and diversification across both geographical and sectoral dimensions, is anticipated to propel the company's growth in the future. Moreover, the company's strong construction capabilities, bolstered by its internal design and execution teams, is likely to play a crucial role in this growth. Additionally, margins are projected to stabilize at 15.3% by FY27, based on the current order book. The low D/E ratio, reasonable working capital days, and robust return ratios further enhance its solid financial position.

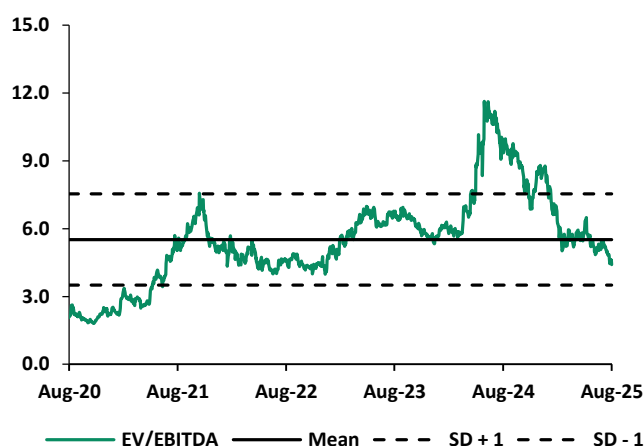
At CMP, the stock (excl. investments) is trading at a valuation of 5.8x FY27E P/E. We continued to adopt the Sum-of-the-Parts valuation methodology. For this, we have assessed the core construction segment at 14x FY27E P/E. Additionally, hybrid annuity assets have been valued at 1x their FY27E book value, while solar and BESS assets are appraised at 70% of the expected equity investments. Consequently, core construction segment is valued at ~Rs1,502/share, with investments at ~Rs277/share. Thus, we maintain BUY rating on the stock with a target price of Rs1,779/share.

1-year forward P/E



Source: AceEquity, SMIFS Research; excl. investments

1-year forward EV/EBITDA



Source: AceEquity, SMIFS Research; excl. investments

Change in Estimates

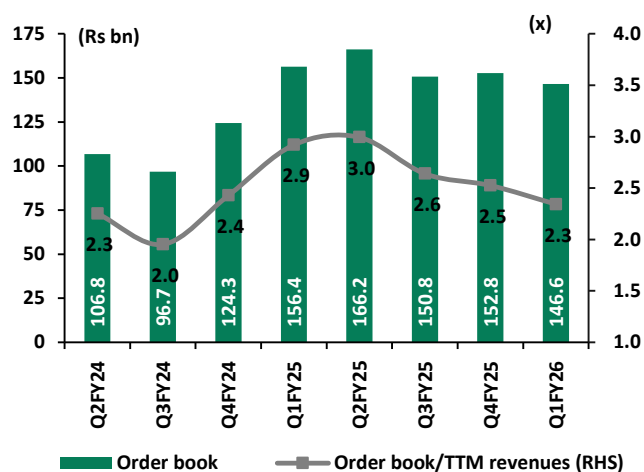
Rs mn	New Estimates		Old Estimates		Change (%)	
	FY26e	FY27e	FY26e	FY27e	FY26e	FY27e
Revenue	69,716	80,129	69,710	80,122	-	-
Gross profit	15,530	17,680	15,536	17,606	(0.0)	0.4
Gross profit margin (%)	22.3	22.1	22.3	22.0	(2) bps	6 bps
EBITDA	10,523	12,276	10,878	12,399	(3.3)	(1.0)
EBITDA Margin (%)	15.1	15.3	15.6	15.5	(51) bps	(18) bps
APAT	5,768	6,992	5,978	7,025	(3.5)	(0.5)
Adj. EPS (Rs)	88.5	107.3	91.7	107.8	(3.5)	(0.5)

Source: Company, SMIFS research

Our revenue projections align closely with the guidance provided by management. As a result, the revenue forecasts remain predominantly stable. Nevertheless, we have adjusted our margin expectations for FY26 and FY27 in line with expected change in order book mix. Additionally, we have revised our depreciation estimates based on guided capex and financing costs due to expected borrowings. Therefore, the PAT has been modified accordingly.

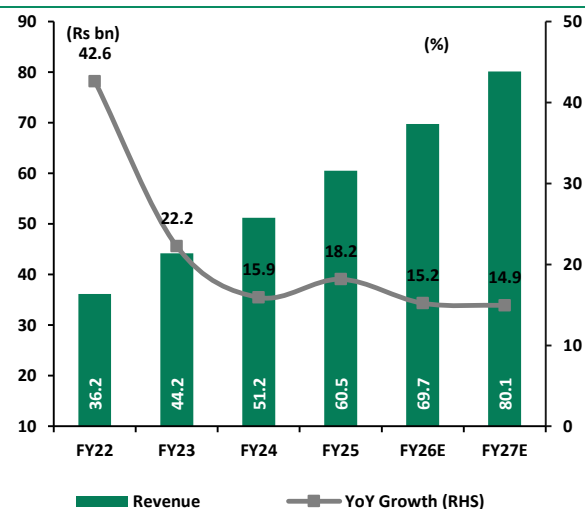
Story In Charts

Quarterly Order Book



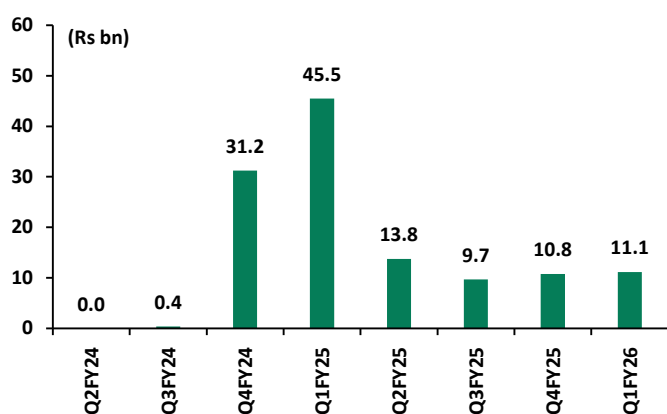
Source: Company, SMIFS Research

Yearly Order Book



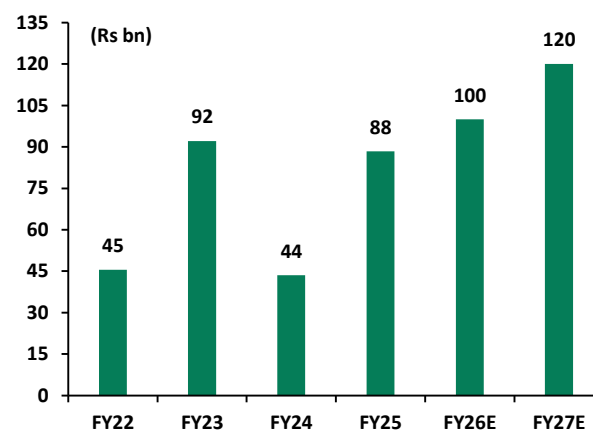
Source: Company, SMIFS Research Estimates

Quarterly Order Inflows



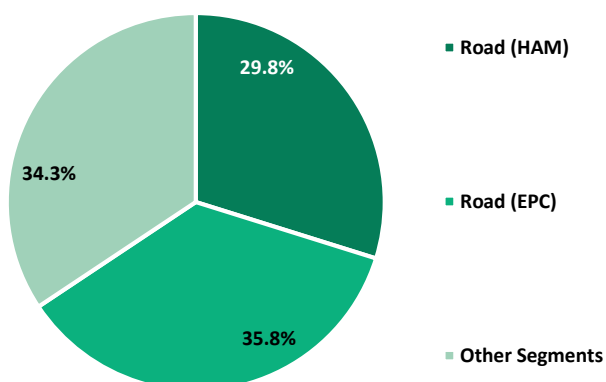
Source: Company, SMIFS Research

Yearly Order Inflows



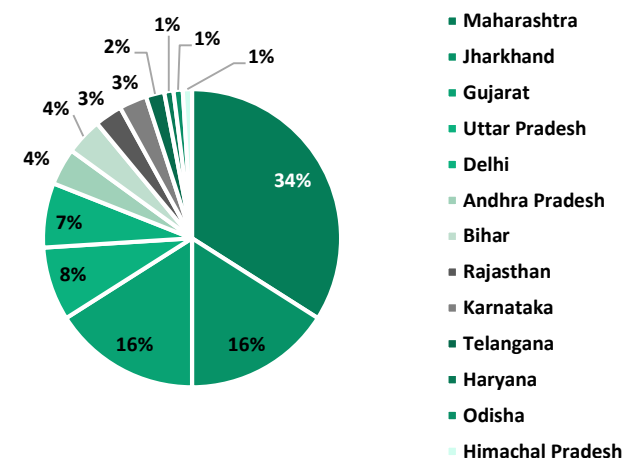
Source: Company, SMIFS Research Estimates

Segment-wise order backlog*



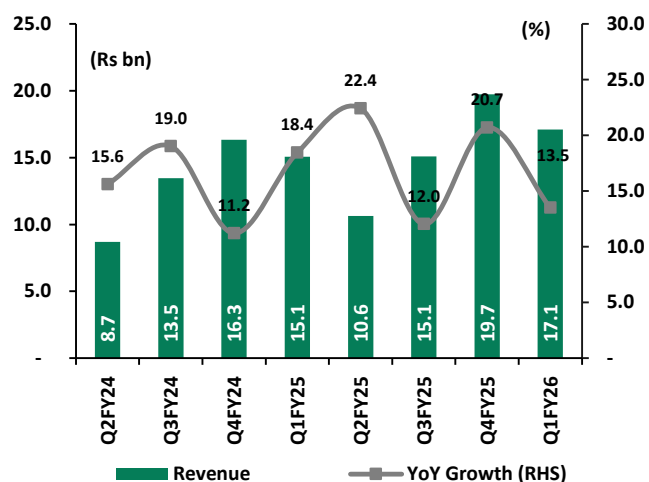
Source: Company, SMIFS Research; *order book at Q1 FY26-end stands at Rs146.6bn

State-wise order breakup*



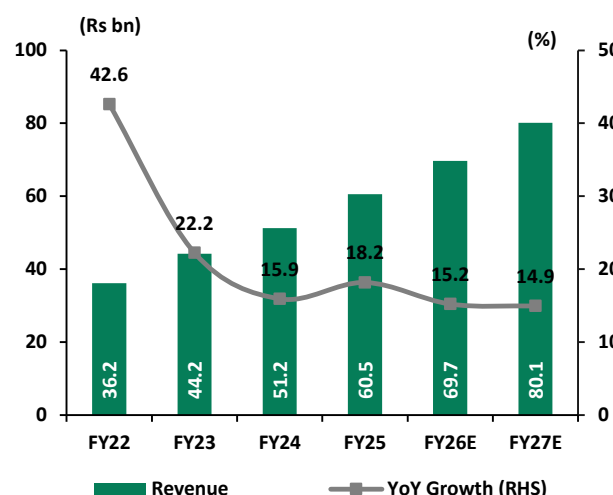
Source: Company, SMIFS Research; *order book at Q1 FY26-end stands at Rs146.6bn

Quarterly Revenues



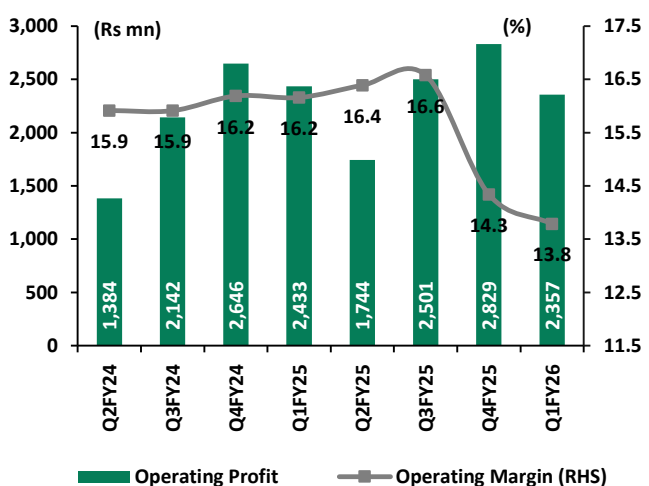
Source: Company, SMIFS Research

Yearly Revenues



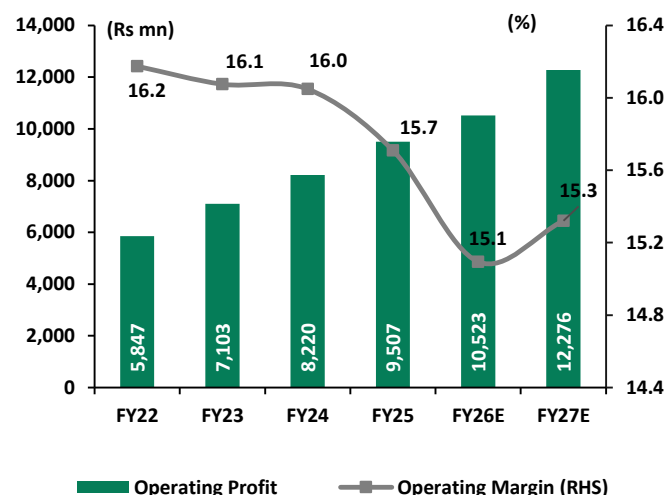
Source: Company, SMIFS Research Estimates

Quarterly EBITDA & Margin



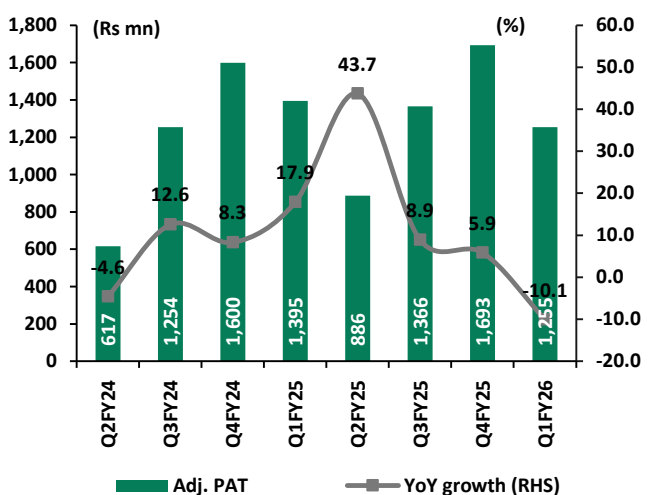
Source: Company, SMIFS Research

Yearly EBITDA & Margin



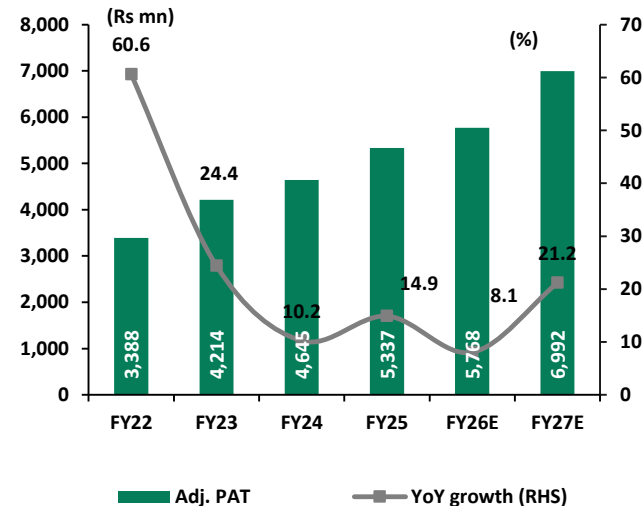
Source: Company, SMIFS Research Estimates

Quarterly Adjusted PAT and YoY growth



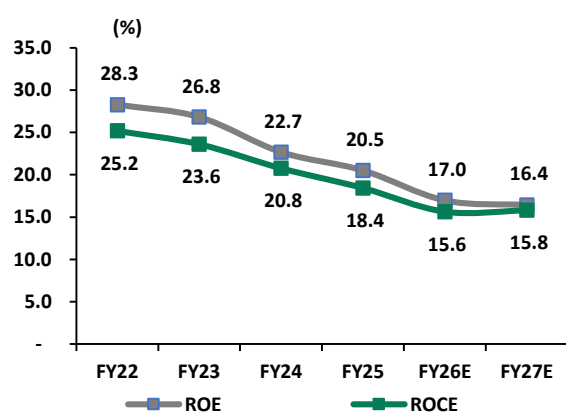
Source: Company, SMIFS Research

Annual Adjusted PAT and YoY growth



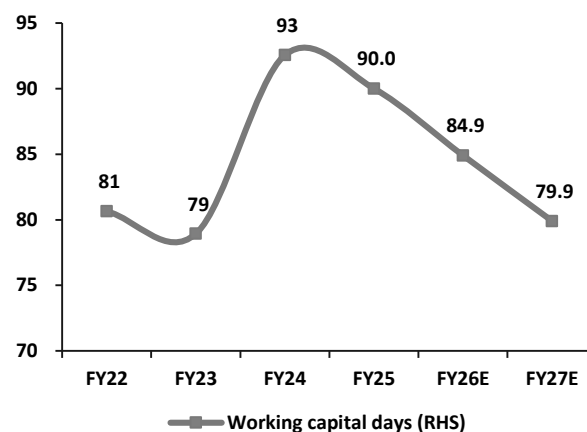
Source: Company, SMIFS Research Estimates

ROE & ROCE



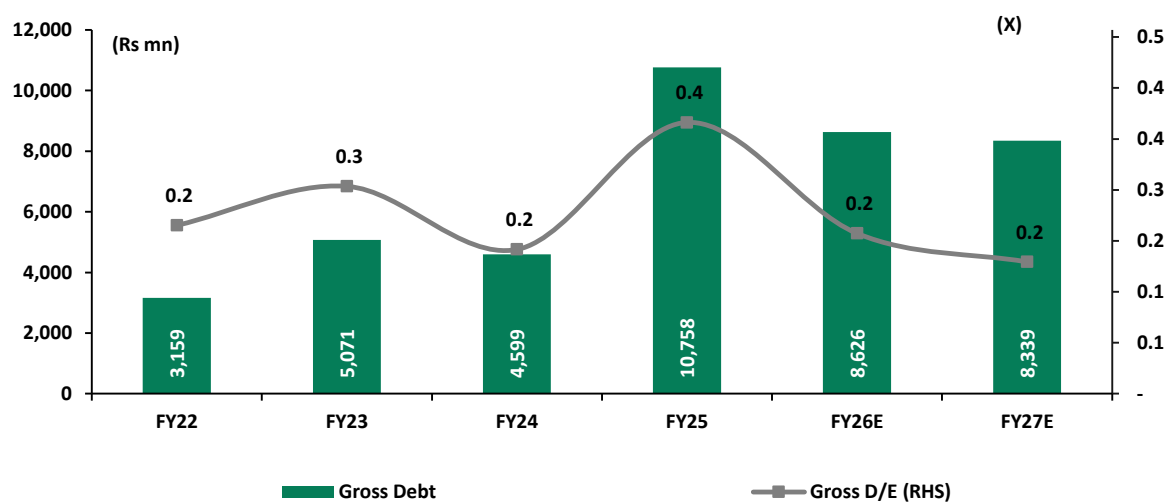
Source: Company, SMIFS Research Estimates

Working capital days



Source: Company, SMIFS Research Estimates

Gross debt and gross debt/equity



Source: Company, SMIFS Research Estimates

Quarterly financials, operating metrics, and key performance indicators

Quarterly Financials

Y/E March (Rs mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net sales	8,695	13,464	16,345	15,059	10,645	15,085	19,730	17,092
Cost of Material Consumed	6,418	10,324	12,776	11,667	8,052	11,532	15,661	13,478
Employee Cost	648	776	743	787	753	874	879	929
Other Expenditure	245	222	180	172	95	179	360	329
EBITDA	1,384	2,142	2,646	2,433	1,744	2,501	2,829	2,357
Depreciation	354	367	380	348	359	362	370	329
Interest	17	25	46	32	33	24	64	23
Other Income	216	226	195	220	226	298	415	376
Exceptional Items	-	1,067	-	-	-	-	574	-
PBT	831	2,642	2,117	1,897	1,192	1,864	2,682	1,674
Tax	214	587	518	501	306	498	558	419
Tax rate (%)	25.8	22.2	24.5	26.4	25.6	26.7	20.8	25.0
Reported PAT	617	2,055	1,600	1,395	886	1,366	2,124	1,255
Adjusted PAT	617	1,254	1,600	1,395	886	1,366	1,693	1,255

YoY Growth (%)								
Revenue	15.6	19.0	11.2	18.4	22.4	12.0	20.7	13.5
EBITDA	14.6	13.2	11.3	18.8	26.1	16.7	6.9	(3.1)
Adj. PAT	(4.6)	12.6	8.3	17.9	43.7	8.9	5.9	(10.1)

QoQ Growth (%)								
Revenue	(31.6)	54.9	21.4	(7.9)	(29.3)	41.7	30.8	(13.4)
EBITDA	(32.4)	54.8	23.5	(8.0)	(28.3)	43.4	13.1	(16.7)
Adj. PAT	(47.9)	103.4	27.5	(12.8)	(36.5)	54.1	24.0	(25.9)

Margin (%)								
Gross Profit	26.2	23.3	21.8	22.5	24.4	23.6	20.6	21.1
EBITDA	15.9	15.9	16.2	16.2	16.4	16.6	14.3	13.8
Adj. PAT	7.1	9.3	9.8	9.3	8.3	9.1	8.6	7.3
Employee cost as % of sales	7.5	5.8	4.5	5.2	7.1	5.8	4.5	5.4
Other expenses as % of sales	2.8	1.6	1.1	1.1	0.9	1.2	1.8	1.9

Operational Matrix								
Order book (Rs mn)	1,06,782	96,713	1,24,340	1,56,418	1,66,235	1,50,799	1,52,812	1,46,563
Inflows (Rs mn)*	-	362	31,247	45,502	13,750	9,700	10,760	11,143
Order book/TTM bill (x)	2.3	2.0	2.4	2.9	3.0	2.7	2.5	2.3

Source: Company, SMIFS Research; *Calculated for recent quarters

Key Performance Indicators

Particular (Rs bn)	FY23	FY24	FY25	FY26E	FY27E
Order book (at end of the year)*	128	124	153	184	224
Inflows*	92	44	88	100	120
Order book to bill*	2.9	2.4	2.5	2.6	2.8

Source: Company, SMIFS Research Estimates; *excl. L1 orders

Financial Statements (Standalone)

Income Statement					
YE March (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Revenues	44,185	51,217	60,519	69,716	80,129
Raw Materials	34,475	39,189	46,912	54,186	62,449
% of sales	78.0	76.5	77.5	77.7	77.9
Personnel	1,959	2,882	3,293	3,747	4,199
% of sales	4.4	5.6	5.4	5.4	5.2
Other Expenses	649	927	807	1,260	1,205
% of sales	1.5	1.8	1.3	1.8	1.5
EBITDA	7,103	8,220	9,507	10,523	12,276
Depreciation	963	1,412	1,440	1,529	1,633
Other Income	181	126	152	137	135
EBIT	6,320	6,934	8,220	9,131	10,779
Finance cost	633	810	1,159	1,419	1,432
Core PBT	5,507	5,998	6,908	7,575	9,212
Exceptional Items	-	1,067	574	6,160	-
PBT	5,687	7,192	7,634	13,872	9,347
Tax-Total	1,474	1,737	1,863	3,496	2,355
Tax Rate (%) - Total	25.9	24.2	24.4	25.2	25.2
Reported PAT	4,214	5,455	5,771	10,376	6,992
Adjusted PAT	4,214	4,645	5,337	5,768	6,992

Source: Company, SMIFS Research Estimates

Key Ratios					
YE March	FY23	FY24	FY25	FY26E	FY27E
Growth Ratio (%)					
Revenue	22.2	15.9	18.2	15.2	14.9
EBITDA	21.5	15.7	15.7	10.7	16.7
Adjusted PAT	24.4	10.2	14.9	8.1	21.2
Margin Ratios (%)					
Gross Profit	22.0	23.5	22.5	22.3	22.1
EBITDA	16.1	16.0	15.7	15.1	15.3
EBIT	14.3	13.5	13.6	13.1	13.5
Core PBT	12.5	11.7	11.4	10.9	11.5
Adjusted PAT	9.5	9.1	8.8	8.3	8.7
Return Ratios (%)					
ROE	26.8	22.7	20.5	17.0	16.4
ROCE	23.6	20.8	18.4	15.6	15.8
Turnover Ratios (days)					
Gross block turnover ratio	47.6	44.7	47.2	51.0	54.1
Adj OCF / Adj PAT (%)	124.5	40.9	2.3	118.8	92.0
Inventory	19.4	21.1	32.7	30.0	29.0
Debtors	72.6	65.4	83.0	75.2	72.2
Creditors	61.4	65.1	81.5	59.7	58.5
Cash conversion cycle	30.6	21.5	34.2	45.5	42.7
Solvency Ratio (x)					
Debt-equity	0.3	0.2	0.4	0.2	0.2
Net debt/equity	0.1	0.0	0.0	0.1	0.1
Gross debt/EBITDA	0.7	0.6	1.1	0.8	0.7
Current Ratio	1.4	1.7	1.4	1.9	1.9
Interest coverage ratio	10.0	8.6	7.1	6.4	7.5
Dividend					
DPS	1.3	1.5	1.8	2.0	2.3
Dividend Yield (%)	0.2	0.2	0.1	0.2	0.2
Dividend Payout (%)	1.9	2.1	2.1	2.3	2.1
Per share Ratios (Rs)					
Basic EPS (reported)	64.7	83.7	88.6	159.2	107.3
Adj EPS	64.7	71.3	81.9	88.5	107.3
CEPS	79.4	105.4	110.6	182.7	132.3
BV	272.9	355.8	442.6	600.1	705.4
Valuation (x)*					
Adj P/E	10.8	12.7	17.0	10.9	9.0
P/BV	2.6	2.5	3.1	1.6	1.4
EV/EBITDA	6.6	7.2	9.6	6.4	5.5
EV/Sales	1.1	1.1	1.5	1.0	0.8
Adj Mcap / Core PBT	7.5	9.0	11.7	7.8	6.4
Adj Mcap / Adj OCF	7.9	28.6	666.3	8.6	9.1

Source: Company, SMIFS Research Estimates

Balance Sheet					
YE March (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Source of funds					
Share Capital	652	652	652	652	652
Reserves & Surplus	17,133	22,533	28,196	38,458	45,319
Shareholders' Funds	17,784	23,185	28,848	39,110	45,971
Total Loan Funds	5,071	4,599	10,758	8,626	8,339
Other Liabilities	145	122	169	187	202
Total Liabilities	23,000	27,906	39,774	47,923	54,511
Application of funds					
Gross Block	10,336	12,312	13,014	14,014	15,214
Net Block	6,212	7,262	6,728	6,173	5,760
Capital WIP	719	42	29	42	50
Right use of assets	40	86	75	82	90
Intangible Asset	15	17	26	36	45
Investment Properties	79	58	37	37	37
Quasi Investments	2,330	2,556	8,897	408	469
Other Investments	5,382	4,008	5,144	16,294	22,150
Other Non-Current Assets	367	1,169	796	835	916
Inventories	2,353	2,967	5,428	5,730	6,366
Sundry Debtors	8,791	9,177	13,766	14,363	15,850
Current Investments	10	-	-	-	-
Cash and Bank Balance	1,794	1,993	1,343	3,478	3,527
Other current assets	7,001	11,680	15,988	17,559	18,644
Total Current Assets	19,949	25,816	36,525	41,130	44,387
Sundry Creditors	7,437	9,133	13,516	11,403	12,843
Other current liabilities	4,656	3,973	4,966	5,712	6,551
Total Current Liabilities	12,093	13,107	18,483	17,115	19,394
Net Current Assets	7,856	12,709	18,042	24,015	24,993
Total Assets	23,000	27,906	39,774	47,923	54,511

Source: Company, SMIFS Research Estimates

Cash Flow					
YE March (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Operating profit before WC changes	7,377	8,578	9,633	16,683	12,276
Net changes in working capital	64	(3,937)	(6,289)	(4,913)	(2,057)
Tax Paid	1,571	1,931	2,149	3,496	2,355
Cash flow from operating activities	5,871	2,710	1,196	8,275	7,864
Adj. OCF	5,248	1,900	121	6,856	6,432
Capital expenditure	(3,392)	(2,239)	(934)	(1,004)	(1,245)
Adj FCF	1,856	(339)	(813)	5,852	5,187
Cash flow from investing activities	(6,827)	(870)	(6,956)	(3,475)	(6,966)
Debt	1,888	(40)	6,652	(1,132)	713
Dividend	(65)	(81)	(98)	(114)	(130)
Interest and Lease	(648)	(851)	(1,126)	(1,419)	(1,432)
Cash flow from financing activities	1,174	(1,457)	4,944	(2,665)	(849)
Net change in cash	219	383	(817)	2,135	49

Source: Company, SMIFS Research Estimates

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