

Rating: ACCUMULATE | CMP: Rs666 | TP: Rs724

February 14, 2026

## Q3FY26 Result Update

### Key Financials - Standalone

| Y/e Mar        | FY25   | FY26E  | FY27E  | FY28E  |
|----------------|--------|--------|--------|--------|
| Sales (Rs. m)  | 60,519 | 62,653 | 69,669 | 76,720 |
| EBITDA (Rs. m) | 9,507  | 8,946  | 9,277  | 10,013 |
| Margin (%)     | 15.7   | 14.3   | 13.3   | 13.1   |
| PAT (Rs. m)    | 5,317  | 4,318  | 4,704  | 5,345  |
| EPS (Rs.)      | 81.6   | 66.2   | 72.2   | 82.0   |
| Gr. (%)        | 13.1   | (18.8) | 8.9    | 13.6   |
| DPS (Rs.)      | 2.0    | 1.5    | 1.6    | 1.9    |
| Yield (%)      | 0.3    | 0.2    | 0.2    | 0.3    |
| RoE (%)        | 20.4   | 13.9   | 13.3   | 13.3   |
| RoCE (%)       | 24.0   | 18.0   | 17.2   | 17.4   |
| EV/Sales (x)   | 0.9    | 0.8    | 0.7    | 0.6    |
| EV/EBITDA (x)  | 5.6    | 5.8    | 5.4    | 4.9    |
| PE (x)         | 8.2    | 10.1   | 9.2    | 8.1    |
| P/BV (x)       | 1.5    | 1.3    | 1.2    | 1.0    |

### Key Data

|                     | HGIN.BO   HGINFRA IN |
|---------------------|----------------------|
| 52-W High / Low     | Rs.1,275 / Rs.546    |
| Sensex / Nifty      | 82,627 / 25,471      |
| Market Cap          | Rs.43bn/ \$ 479m     |
| Shares Outstanding  | 65m                  |
| 3M Avg. Daily Value | Rs.170.41m           |

### Shareholding Pattern (%)

|                         |       |
|-------------------------|-------|
| Promoter's              | 71.78 |
| Foreign                 | 1.92  |
| Domestic Institution    | 11.14 |
| Public & Others         | 15.16 |
| Promoter Pledge (Rs bn) | -     |

### Stock Performance (%)

|          | 1M    | 6M     | 12M    |
|----------|-------|--------|--------|
| Absolute | (4.7) | (33.0) | (42.0) |
| Relative | (3.5) | (34.7) | (46.6) |

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### Growth hinges on order conversion & deleveraging

**HG Infra reported a muted Q3FY26 performance with revenue moderation (-4% YoY) due to execution delays and slower appointed dates, though EBITDA margins remained resilient at mid-teens (~15.5%). Elevated working capital and interim funding to solar SPVs led to higher standalone debt (~Rs15.5 bn, 0.5x DER), which is expected to ease post commissioning and debt drawdown (~Rs4.25 bn pending). Management has guided for ~Rs70 bn revenue in FY27 (10-12% YoY growth) with margins sustaining at ~14-15%, supported by targeted order inflows of Rs100-120 bn in FY27E. The order book stands at ~Rs136.2 bn (2.2x TTM revenue) with increasing diversification away from road (~65% of order book) into rail (20% of order book) and renewables (~15% of order book); however, ~38% of orders remain slow moving due to appointed date and land-related delays. Stock valuation on FY28E at 8x PER and 1x BV is attractive, we have an Accumulate rating with SOTP base target price of Rs724/sh, while execution and order conversion remain key monitorable.**

**Q3FY26 performance, stable margins amid revenue moderation:** HG Infra reported standalone revenue of ~Rs14.5 bn in Q3FY26, -4% YoY, while 9MFY26 revenue stood at ~Rs43.1 bn, 6% YoY, reflecting moderation versus last year due to execution delays, prolonged monsoon impact and slower appointed dates. Q3FY26 margin remained resilient at ~15.5%, in line with the company's historical mid-teen margin profile, though 9MFY26 EBITDA margin moderated to ~14.1%. PAT for Q3FY26 / 9MFY26 is at -30% / -20% YoY, to higher tax provisioning and higher interest cost due to short term working capital loan.

**Elevated debt driven by working capital & Solar SPVs; deleveraging expected:** Standalone gross debt stood at ~Rs15.5 bn, primarily comprising working capital borrowings and term loans. The increase in leverage is largely due to elevated receivables (~Rs15.5 bn), unbilled revenue (~Rs14.5 bn), and interim funding support extended to solar SPVs pending debt drawdown. Around ~Rs4.25 bn of sanctioned solar project debt remains to be disbursed post commissioning, which should reduce standalone debt. Additionally, as projects near completion and unbilled revenues convert into certified bills and collections, working capital intensity is expected to ease, supporting balance sheet normalization in FY27E.

**FY27 outlook, double-digit growth with margin discipline:** Management has guided for FY27 revenue of ~Rs70 bn, implying ~10-12% YoY growth, with ~Rs55 bn expected from existing projects and ~Rs15 bn from new or to-be-commenced projects. EBITDA margins are expected to remain in the mid-teen range (~14-15%), though competitive intensity in fresh bids may keep margins closer to ~14% on incremental orders. Order inflows for FY26 YTD stand at ~Rs33 bn, and the company is targeting Rs100-120 bn of fresh inflows in FY27 to sustain growth momentum and maintain execution visibility.

**Order book strength with gradual diversification beyond roads:** As of Q3FY26, the total order book stood at ~Rs136.2 bn, offering strong revenue visibility.

Segment-wise, roads & highways contribute ~64% (~Rs87 bn), railways & metro ~20% (~Rs28 bn), and renewables including solar and BESS ~15% (~Rs20 bn), with the balance from other segments. Out of the order book, 38% of orders are slow moving, as some projects have witnessed delays due to appointed date and land acquisition issues, rest of the order book is active and progressing, and the increasing share of rail and energy projects is gradually reducing sector concentration risk

**Exhibit 1: Quarterly Table**

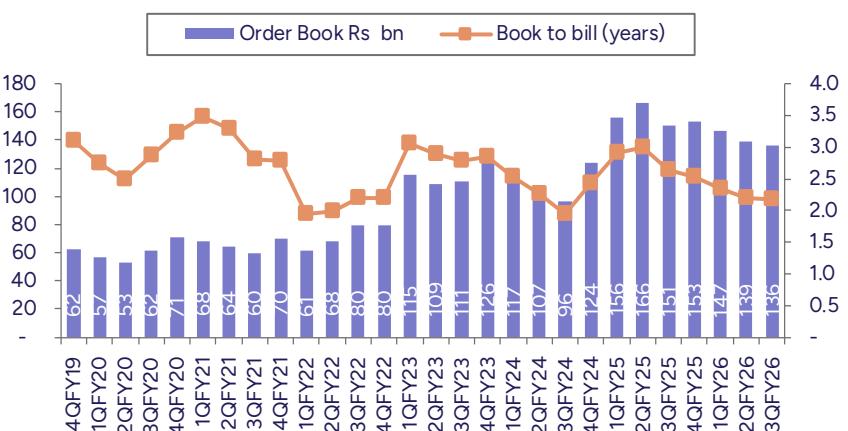
| Y/e March              | Q3FY26 | Q3FY25 | YoY gr. (%) | Q2FY26 | QoQ gr. (%) | 9MFY25 | 9MFY26 | YoY gr. (%) |
|------------------------|--------|--------|-------------|--------|-------------|--------|--------|-------------|
| Revenue                | 14,498 | 15,085 | (3.9)       | 11,537 | 25.7        | 40,789 | 43,128 | 5.7         |
| EBITDA                 | 2,243  | 2,501  | (10.3)      | 1,466  | 53.1        | 6,678  | 6,066  | 10.1        |
| EBITDA Margin %        | 15.5   | 16.6   |             | 12.7   |             | 16.4   | 14.1   |             |
| Other income           | 30     | 24     | 27.6        | 166    | (81.6)      | 88     | 219    | 148.6       |
| Interest               | 510    | 298    | 71.0        | 393    | 29.9        | 745    | 1,280  | 71.8        |
| Depreciation           | 348    | 362    | (4.0)       | 340    | 2.2         | 1,069  | 1,018  | (4.8)       |
| PBT                    | 1,415  | 1,864  | (24.1)      | 898    | 57.6        | 4,952  | 3,987  | (19.5)      |
| Provision for taxation | 447    | 498    | (10.3)      | 225    | 98.7        | 1,305  | 1,091  | (16.4)      |
| Adj PAT                | 969    | 1,366  | (29.1)      | 673    | 43.9        | 3,648  | 2,896  | (20.6)      |

Source: Company, PL

## Conference Call Highlights

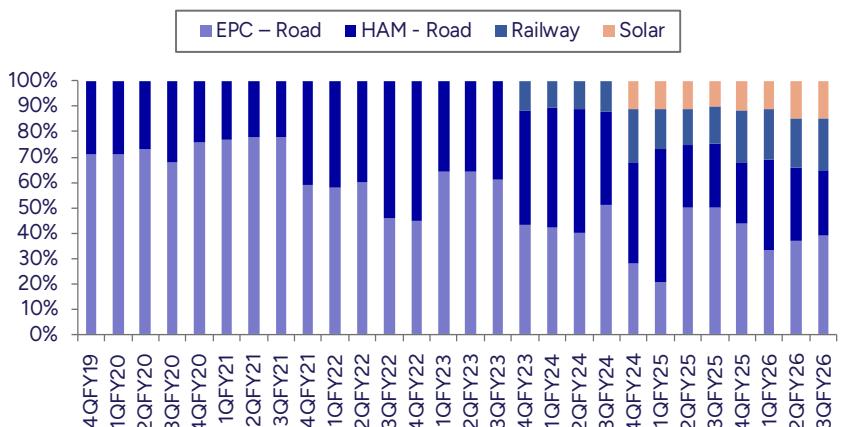
- Order book at ~Rs136.2 bn: As of Q3 FY26, total order book stood at ~Rs136.2 bn, with ~64% from roads, 20% from railways, 15% from renewables and balance from other segments, reflecting gradual diversification beyond highways.
- 9MFY26 performance moderated: Standalone revenue stood at ~Rs43.1 bn with EBITDA margin of ~14.1% and PAT margin of ~6.7%, impacted by execution delays and higher tax provisioning.
- Q3 margins stable at mid-teens: Q3FY26 standalone EBITDA margin was ~15.5%, broadly in line with historical mid-teen operating performance.
- Revenue impacted by execution delays: Prolonged monsoon and delay in appointed date for Jharkhand Package 10 impacted FY26 revenue by ~Rs2–3 bn.
- FY27 revenue guidance ~Rs70 bn: Management expects ~10–12% YoY growth in FY27, with ~Rs55 bn from existing projects and ~Rs15 bn from new / to-be-commenced projects.
- Order inflow outlook positive: FY26 YTD inflow stands at ~Rs33 bn, and management is targeting Rs100–120 bn order inflow in FY27.
- Solar projects nearing completion: ~96% physical progress achieved; pending debt disbursement of ~Rs4.25 bn expected post commissioning, which should aid deleveraging.
- Elevated working capital & debt: Standalone gross debt stands at ~Rs15.5 bn, with receivables and unbilled revenue elevated due to multiple large projects nearing completion.
- HAM equity commitments ongoing: Total equity requirement for 11 HAM projects is ~Rs17.5 bn, with ~Rs12.4 bn already infused; balance to be infused over FY26–28.
- BESS and renewables scaling up: Battery energy storage projects under execution, with meaningful completion expected by FY27 and estimated annual revenue potential of ~Rs2.25 bn post commissioning.
- CBI search disclosed: A CBI search was conducted in January; management stated no operational or financial impact so far and indicated updates will be provided as required.

**Exhibit 2: Order book at Rs 136bn , 2x TTM revenue**



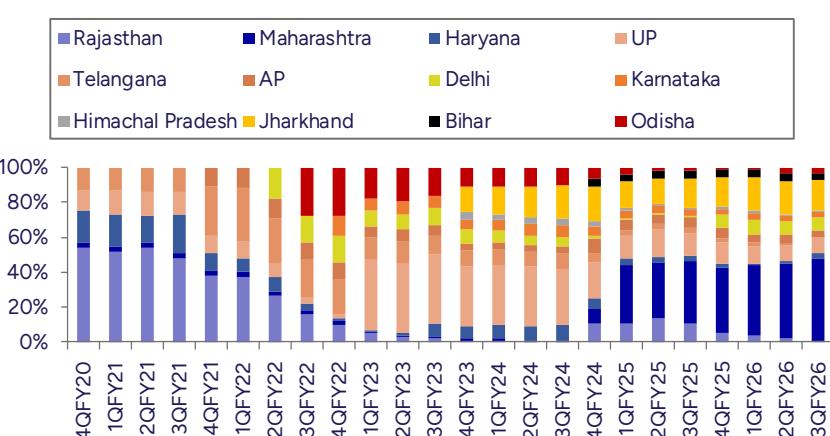
Source: Company, PL, orders which are slow moving is ~38% of the order book

**Exhibit 3: Order book segment wise composition, roads at 63%, rail 20% and rest others**



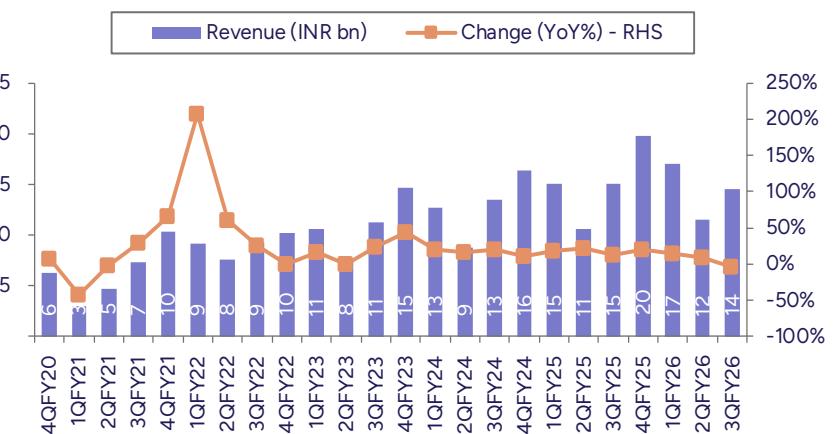
Source: Company, PL

**Exhibit 4: Order book state wise breakup, Maharashtra at 40%**



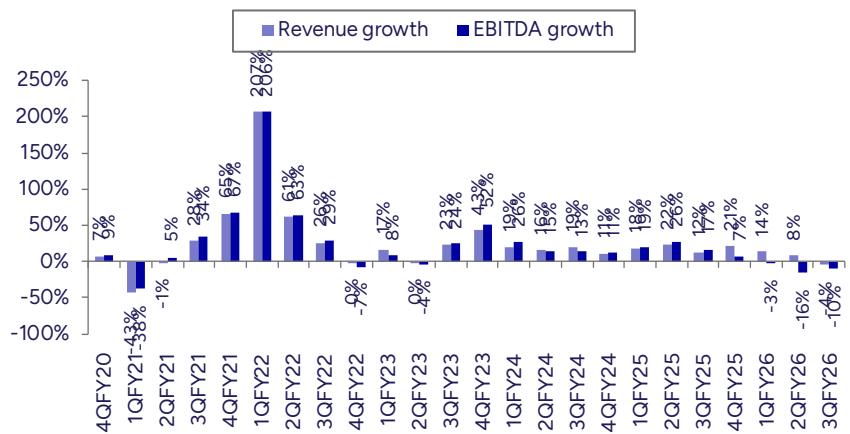
Source: Company, PL

**Exhibit 5: Revenue growth in Q3FY26 at -4% YoY**



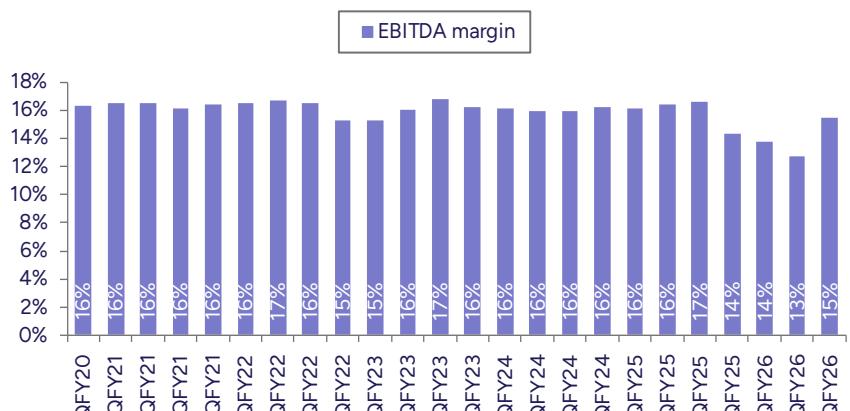
Source: Company, PL

**Exhibit 6: Revenue and EBITDA declining from last 3 quarters**



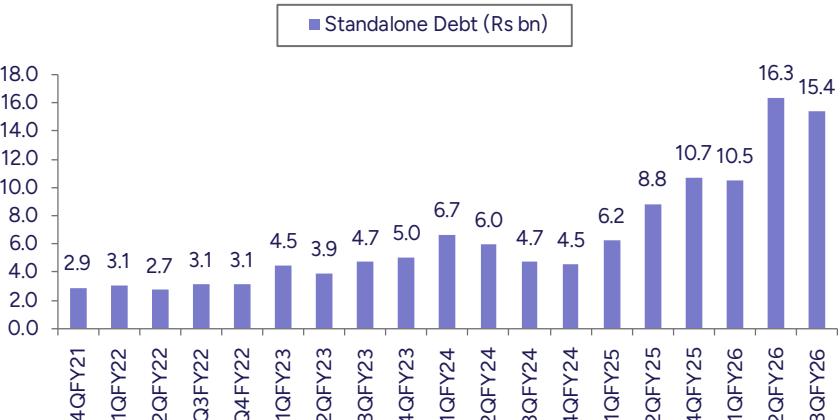
Source: Company, PL

**Exhibit 7: EBITDA Margin maintained**



Source: Company, PL

**Exhibit 8: Standalone debt has increased**



Source: Company, PL

**Exhibit 9: Operational and financial snapshot**

| Rs mn                | FY21   | FY22   | FY23     | FY24     | FY25E    | FY26E    | FY27E    | FY28E    |
|----------------------|--------|--------|----------|----------|----------|----------|----------|----------|
| Order Book           | 70,400 | 79,729 | 1,25,953 | 1,24,340 | 1,52,812 | 1,60,159 | 1,70,490 | 1,83,769 |
| Order Inflow         | 21,849 | 45,481 | 90,409   | 49,604   | 88,991   | 70,000   | 80,000   | 90,000   |
| Book to bill x       | 2.8    | 2.1    | 2.3      | 2.4      | 2.3      | 2.5      | 2.4      | 2.3      |
| Revenue              | 25,350 | 36,152 | 44,185   | 51,217   | 60,519   | 62,653   | 69,669   | 76,720   |
| Change yoy, %        | 15.4   | 42.6   | 22.2     | 15.9     | 18.2     | 3.5      | 11.2     | 10.1     |
| EBITDA               | 4,181  | 5,847  | 7,103    | 8,219    | 9,507    | 8,946    | 9,277    | 10,013   |
| EBITDA Margin %      | 16.5   | 16.2   | 16.1     | 16.0     | 15.7     | 14.3     | 13.3     | 13.1     |
| Interest Cost        | 596    | 528    | 633      | 810      | 1,159    | 1,810    | 1,576    | 1,381    |
| PAT                  | 2,110  | 3,388  | 4,214    | 4,701    | 5,317    | 4,318    | 4,704    | 5,345    |
| Change yoy, %        | 27.3   | 60.6   | 24.4     | 11.6     | 13.1     | (18.8)   | 8.9      | 13.6     |
| PAT Margin %         | 8.3    | 9.4    | 9.5      | 9.2      | 8.8      | 6.9      | 6.8      | 7.0      |
| WC as a % of sales   | 2.0    | 14.8   | 10.3     | 20.7     | 28.1     | 25.9     | 24.4     | 25.2     |
| Net debt (Rs bn)     | 317    | 1,574  | 3,278    | 3,526    | 10,423   | 9,334    | 7,897    | 6,883    |
| Net debt/ equity (x) | 0.03   | 0.12   | 0.18     | 0.15     | 0.36     | 0.28     | 0.21     | 0.16     |
| Capex (Rs bn)        | 587    | 568    | 3,418    | 1,810    | 901      | 500      | 500      | 500      |
| CFO (Rs bn)          | 5,273  | 1,140  | 5,871    | 2,711    | 1,196    | 7,656    | 6,947    | 6,365    |
| CFO/ EBITDA          | 1.3    | 0.2    | 0.8      | 0.3      | 0.1      | 0.9      | 0.7      | 0.6      |

Source: Company, PL

## Outlook & Valuations

HG Infra's target price is set at Rs724 per share, based on a sum-of-the-parts valuation approach. The standalone EPC business is valued at a 7x PER, resulting in a value of Rs533 per share, while the road and solar project portfolio is valued at 1x PBV, contributing Rs191 per share. Together, these components aggregate to a total target valuation of Rs724/sh with Accumulate rating. That said, delays in awarding of new contracts and timely receipt of appointed dates (38% of the order book is slow moving) remain key risks to our estimates.

**Exhibit 10: HG Infra TP at Rs724/sh, EPC valued at 7x**

|                     | Valuation Method | Multiple | Rs/sh FY28 |
|---------------------|------------------|----------|------------|
| Standalone business | PER              | 7        | 533        |
| Road+Solar projects | PBV              | 1        | 191        |
| <b>Total</b>        |                  |          | <b>724</b> |

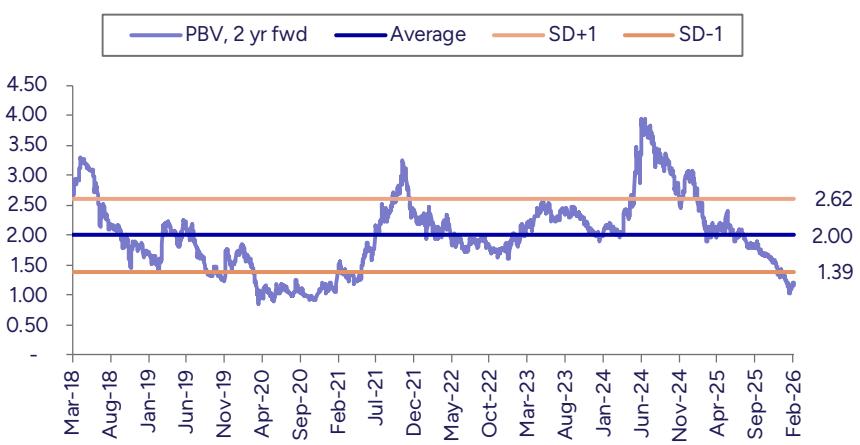
Source: Company, PL

**Exhibit 11: HG PER : Below historical averages**



Source: Company, PL

**Exhibit 12: HG Infra PB , at 1.2x FY28E BV, below -1 STD**



Source: Company, PL

## Key Risks

- **Execution & appointed date dependency:** FY26 revenue has been impacted by prolonged monsoon and delay in appointed dates (notably Jharkhand Package 10), with management indicating ~Rs2–3 bn revenue impact; FY27 guidance (~Rs70 bn) assumes ~Rs15 bn execution from new / yet-to-start projects, creating risk of revenue slippage if land acquisition, LOA or mobilization timelines get delayed further
- **Order inflow uncertainty amid weak NHAI pipeline:** Over the past 18 months, NHAI awarding has remained muted, and although management expects revival in FY27, visibility remains dependent on cabinet approvals and land readiness; failure to achieve the Rs100–120 bn FY27 inflow target could weaken order book replenishment and medium-term growth visibility
- **Margin compression risk in new bids:** While current EPC margins remain ~15–16%, management indicated future competitive intensity may bring margins closer to ~14%; coupled with prior project-level profit modifications, this suggests limited cushion if input costs rise or bidding discipline weakens
- **Elevated debt and working capital stretch:** Standalone gross debt stands at ~Rs15.5 bn, with high receivables (~Rs15.5 bn), unbilled revenue (~Rs14.5 bn) and increased working capital usage due to solar SPVs; deleveraging is contingent on commissioning and debt disbursement (~Rs4.25 bn pending), exposing the balance sheet to timing risks
- **Equity commitment overhang in HAM & BESS:** Total equity requirement for 11 HAM projects is ~Rs17.5 bn (Rs12.4 bn infused), with balance infusion scheduled across FY26–28, alongside additional BESS equity requirement (~Rs6.0 bn in FY27); this could constrain free cash flow and limit financial flexibility if asset monetization or project cash flows are delayed
- **Regulatory & governance overhang (CBI matter):** Ongoing CBI search proceedings (as disclosed) introduce reputational and governance risk; although management indicated no operational impact so far, any adverse development could affect qualification ability, lender confidence, or order inflows

## Annexure

### HGINFRA: Contractor with mid teen EBITDA Margin

- HG Infra Engineering Ltd (established in 2003) is an integrated infrastructure EPC player with core expertise in road and highway construction, executing projects under EPC, HAM (Hybrid Annuity Model), and item-rate formats.
- Over the last two decades, the company has delivered 45+ road projects and built strong execution capabilities in large-format national highway and expressway projects.
- In recent years, it has strategically diversified into railways and metro (track, station redevelopment and civil packages), as well as renewable energy including solar EPC, battery energy storage systems (BESS), and transmission projects.
- The company operates through a mix of standalone EPC execution and SPV-based HAM/renewable platforms, and is also actively pursuing asset monetization of operational HAM projects to recycle capital. Its strategy focuses on disciplined bidding (targeting mid-teen EPC margins), geographic diversification, and selective expansion into adjacencies such as green energy and rail infrastructure to reduce dependence on pure road EPC cycles
- As of Q3 FY26, HG Infra's total order book stood at approximately Rs136.2 bn, of which roads and highways contributed around Rs87.3 bn (64%), railways and metro projects accounted for Rs27.8 bn (20%), and renewables including solar, BESS and transmission contributed about Rs20.1 bn (15%), with the balance from other segments (~1%). While the order book remains road-dominated, the rising share of rail and renewable projects indicates gradual diversification and reduced sector concentration risk over the medium term.
- HG Infra Engineering Ltd has historically operated with mid-teen EBITDA margins, reflecting disciplined bidding, strong in-house execution capabilities and cost control across road EPC and HAM projects. In Q3 FY26, standalone EBITDA margin stood at ~15.5%, while 9MFY26 margin was ~14.1%, broadly consistent with its historical operating range despite project mix changes and temporary execution disruptions. Management has reiterated its focus on maintaining margin discipline in future bids, although it indicated that competitive intensity may moderate margins closer to ~14% in new orders, suggesting mid-teen profitability remains the structural operating benchmark for the business.

### Shareholding (as of Dec'25)

- Promoter owns 72% stake in the company.
- DILs have 11% stake with 1%+ own by Nippon MF, Abakkus, Aditya Birla MF.

## Management team led by:

**Harendra Singh – Chairman & Managing Director:** He leads strategy and operations, having played a pivotal role in scaling the company from a small contractor to a pan-India infrastructure player. Harendra Singh brings decades of experience in infrastructure execution, having been involved with HG Infra since its early days and guiding growth across highways, bridges, and civil projects. He holds an engineering background and has led the company through its IPO and major expansion phases.

**Vijendra Singh – Whole-Time Director:** A key executive involved in operational leadership and project execution oversight. He is part of the promoter group and has long-standing experience in the company's core road and EPC business.

**Devendra Bhushan Gupta – Whole-Time Director:** Senior company executive contributing to the firm's strategic execution efforts and operational management across various infrastructure segments.

**Rajeev Mishra – Chief Financial Officer (CFO):** Responsible for financial strategy, investor engagement, risk management and compliance. He plays a key role in capital allocation, reporting and financial planning (as per corporate filings),

## Financials

### Income Statement (Rs m)

| Y/e Mar                       | FY25          | FY26E         | FY27E         | FY28E         |
|-------------------------------|---------------|---------------|---------------|---------------|
| <b>Net Revenues</b>           | <b>60,519</b> | <b>62,653</b> | <b>69,669</b> | <b>76,720</b> |
| YoY gr. (%)                   | 18.2          | 3.5           | 11.2          | 10.1          |
| Cost of Goods Sold            | 26,813        | 28,256        | 31,769        | 34,217        |
| <b>Gross Profit</b>           | <b>33,706</b> | <b>34,396</b> | <b>37,900</b> | <b>42,503</b> |
| Margin (%)                    | 55.7          | 54.9          | 54.4          | 55.4          |
| Employee Cost                 | 3,293         | 3,622         | 3,984         | 4,382         |
| Other Expenses                | 807           | 1,153         | 1,648         | 2,406         |
| <b>EBITDA</b>                 | <b>9,507</b>  | <b>8,946</b>  | <b>9,277</b>  | <b>10,013</b> |
| YoY gr. (%)                   | 15.7          | (5.9)         | 3.7           | 7.9           |
| Margin (%)                    | 15.7          | 14.3          | 13.3          | 13.1          |
| Depreciation and Amortization | 1,440         | 1,513         | 1,565         | 1,617         |
| <b>EBIT</b>                   | <b>8,068</b>  | <b>7,433</b>  | <b>7,712</b>  | <b>8,396</b>  |
| Margin (%)                    | 13.3          | 11.9          | 11.1          | 10.9          |
| Net Interest                  | 1,159         | 1,810         | 1,576         | 1,381         |
| Other Income                  | 152           | 149           | 152           | 130           |
| <b>Profit Before Tax</b>      | <b>7,634</b>  | <b>5,772</b>  | <b>6,288</b>  | <b>7,146</b>  |
| Margin (%)                    | 12.6          | 9.2           | 9.0           | 9.3           |
| Total Tax                     | 1,863         | 1,455         | 1,585         | 1,801         |
| Effective tax rate (%)        | 24.4          | 25.2          | 25.2          | 25.2          |
| <b>Profit after tax</b>       | <b>5,771</b>  | <b>4,318</b>  | <b>4,704</b>  | <b>5,345</b>  |
| Minority interest             | -             | -             | -             | -             |
| Share Profit from Associate   | -             | -             | -             | -             |
| <b>Adjusted PAT</b>           | <b>5,317</b>  | <b>4,318</b>  | <b>4,704</b>  | <b>5,345</b>  |
| YoY gr. (%)                   | 13.1          | (18.8)        | 8.9           | 13.6          |
| Margin (%)                    | 8.8           | 6.9           | 6.8           | 7.0           |
| Extra Ord. Income / (Exp)     | -             | -             | -             | -             |
| <b>Reported PAT</b>           | <b>5,771</b>  | <b>4,318</b>  | <b>4,704</b>  | <b>5,345</b>  |
| YoY gr. (%)                   | 5.8           | (25.2)        | 8.9           | 13.6          |
| Margin (%)                    | 9.5           | 6.9           | 6.8           | 7.0           |
| Other Comprehensive Income    | -             | -             | -             | -             |
| Total Comprehensive Income    | 5,771         | 4,318         | 4,704         | 5,345         |
| <b>Equity Shares O/s (m)</b>  | <b>65</b>     | <b>65</b>     | <b>65</b>     | <b>65</b>     |
| <b>EPS (Rs)</b>               | <b>81.6</b>   | <b>66.2</b>   | <b>72.2</b>   | <b>82.0</b>   |

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

| Y/e Mar                               | FY25          | FY26E         | FY27E         | FY28E         |
|---------------------------------------|---------------|---------------|---------------|---------------|
| <b>Non-Current Assets</b>             |               |               |               |               |
| <b>Gross Block</b>                    | <b>14,342</b> | <b>14,842</b> | <b>15,342</b> | <b>15,842</b> |
| Tangibles                             | -             | -             | -             | -             |
| Intangibles                           | -             | -             | -             | -             |
| <b>Acc: Dep / Amortization</b>        | <b>7,447</b>  | <b>8,959</b>  | <b>10,524</b> | <b>12,141</b> |
| Tangibles                             | -             | -             | -             | -             |
| Intangibles                           | -             | -             | -             | -             |
| <b>Net fixed assets</b>               | <b>6,866</b>  | <b>5,883</b>  | <b>4,818</b>  | <b>3,701</b>  |
| Tangibles                             | 6,866         | 5,883         | 4,818         | 3,701         |
| Intangibles                           | -             | -             | -             | -             |
| Capital Work In Progress              | 29            | 29            | 29            | 29            |
| Goodwill                              | -             | -             | -             | -             |
| Non-Current Investments               | 14,271        | 18,591        | 22,159        | 25,727        |
| Net Deferred tax assets               | 368           | 368           | 368           | 368           |
| Other Non-Current Assets              | 187           | 154           | 168           | 182           |
| <b>Current Assets</b>                 |               |               |               |               |
| Investments                           | -             | -             | -             | -             |
| Inventories                           | 5,428         | 5,371         | 6,341         | 7,004         |
| Trade receivables                     | 13,737        | 13,784        | 15,536        | 17,109        |
| Cash & Bank Balance                   | 1,343         | 1,931         | 1,869         | 1,382         |
| Other Current Assets                  | 15,868        | 16,707        | 17,031        | 18,812        |
| <b>Total Assets</b>                   | <b>58,257</b> | <b>62,947</b> | <b>68,448</b> | <b>74,444</b> |
| <b>Equity</b>                         |               |               |               |               |
| Equity Share Capital                  | 652           | 652           | 652           | 652           |
| Other Equity                          | 28,196        | 32,416        | 37,014        | 42,238        |
| <b>Total Networth</b>                 | <b>28,848</b> | <b>33,068</b> | <b>37,665</b> | <b>42,889</b> |
| <b>Non-Current Liabilities</b>        |               |               |               |               |
| Long Term borrowings                  | 2,365         | 2,365         | 1,365         | 365           |
| Provisions                            | -             | -             | -             | -             |
| Other non current liabilities         | 976           | 1,019         | 1,125         | 1,224         |
| <b>Current Liabilities</b>            |               |               |               |               |
| ST Debt / Current of LT Debt          | 8,314         | 7,814         | 7,314         | 6,814         |
| Trade payables                        | 12,709        | 13,381        | 15,046        | 16,620        |
| Other current liabilities             | 5,005         | 5,260         | 5,893         | 6,491         |
| <b>Total Equity &amp; Liabilities</b> | <b>58,257</b> | <b>62,947</b> | <b>68,448</b> | <b>74,444</b> |

Source: Company Data, PL Research

**Cash Flow (Rs m)**

| Y/e Mar                               | FY25           | FY26E          | FY27E          | FY28E          |
|---------------------------------------|----------------|----------------|----------------|----------------|
| PBT                                   | 7,060          | 5,772          | 6,288          | 7,146          |
| Add. Depreciation                     | 1,440          | 1,513          | 1,565          | 1,617          |
| Add. Interest                         | 1,159          | 1,810          | 1,576          | 1,381          |
| Less Financial Other Income           | 152            | 149            | 152            | 130            |
| Add. Other                            | (27)           | (169)          | (172)          | (150)          |
| Op. profit before WC changes          | 9,633          | 8,926          | 9,257          | 9,993          |
| Net Changes-WC                        | (6,289)        | 185            | (725)          | (1,827)        |
| Direct tax                            | (2,149)        | (1,455)        | (1,585)        | (1,801)        |
| <b>Net cash from Op. activities</b>   | <b>1,196</b>   | <b>7,656</b>   | <b>6,947</b>   | <b>6,365</b>   |
| Capital expenditures                  | (700)          | (500)          | (500)          | (500)          |
| Interest / Dividend Income            | 88             | 149            | 152            | 130            |
| Others                                | (6,345)        | (4,280)        | (3,480)        | (3,480)        |
| <b>Net Cash from Invt. activities</b> | <b>(6,956)</b> | <b>(4,631)</b> | <b>(3,828)</b> | <b>(3,850)</b> |
| Issue of share cap. / premium         | -              | -              | -              | -              |
| Debt changes                          | 6,116          | (500)          | (1,500)        | (1,500)        |
| Dividend paid                         | (98)           | (98)           | (106)          | (121)          |
| Interest paid                         | (1,075)        | (1,810)        | (1,576)        | (1,381)        |
| Others                                | -              | -              | -              | -              |
| <b>Net cash from Fin. activities</b>  | <b>4,944</b>   | <b>(2,408)</b> | <b>(3,182)</b> | <b>(3,002)</b> |
| <b>Net change in cash</b>             | <b>(817)</b>   | <b>618</b>     | <b>(63)</b>    | <b>(487)</b>   |
| Free Cash Flow                        | 261            | 7,156          | 6,447          | 5,865          |

**Key Financial Metrics**

| Y/e Mar                    | FY25 | FY26E | FY27E | FY28E |       |
|----------------------------|------|-------|-------|-------|-------|
| <b>Per Share(Rs)</b>       |      |       |       |       |       |
| EPS                        |      | 81.6  | 66.2  | 72.2  | 82.0  |
| CEPS                       |      | 103.7 | 89.5  | 96.2  | 106.8 |
| BVPS                       |      | 442.6 | 507.4 | 577.9 | 658.1 |
| FCF                        |      | 4.0   | 109.8 | 98.9  | 90.0  |
| DPS                        |      | 2.0   | 1.5   | 1.6   | 1.9   |
| <b>Return Ratio(%)</b>     |      |       |       |       |       |
| RoCE                       |      | 24.0  | 18.0  | 17.2  | 17.4  |
| ROIC                       |      | 18.9  | 14.1  | 13.4  | 13.4  |
| RoE                        |      | 20.4  | 13.9  | 13.3  | 13.3  |
| <b>Balance Sheet</b>       |      |       |       |       |       |
| Net Debt : Equity (x)      |      | 0.3   | 0.2   | 0.2   | 0.1   |
| Net Working Capital (Days) |      | 39    | 34    | 36    | 36    |
| <b>Valuation(x)</b>        |      |       |       |       |       |
| PER                        |      | 8.2   | 10.1  | 9.2   | 8.1   |
| P/B                        |      | 1.5   | 1.3   | 1.2   | 1.0   |
| P/CEPS                     |      | 6.4   | 7.4   | 6.9   | 6.2   |
| EV/EBITDA                  |      | 5.6   | 5.8   | 5.4   | 4.9   |
| EV/Sales                   |      | 0.9   | 0.8   | 0.7   | 0.6   |
| Dividend Yield (%)         |      | 0.3   | 0.2   | 0.2   | 0.3   |

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

| Y/e Mar                           | Q4FY25        | Q1FY26        | Q2FY26        | Q3FY26        |
|-----------------------------------|---------------|---------------|---------------|---------------|
| <b>Net Revenue</b>                | <b>19,730</b> | <b>17,092</b> | <b>11,537</b> | <b>14,498</b> |
| YoY gr. (%)                       | 20.7          | 13.5          | 8.4           | (3.9)         |
| Raw Material Expenses             | 8,953         | 7,958         | 4,251         | 5,777         |
| Gross Profit                      | 10,777        | 9,135         | 7,287         | 8,721         |
| Margin (%)                        | 54.6          | 53.4          | 63.2          | 60.2          |
| <b>EBITDA</b>                     | <b>2,829</b>  | <b>2,357</b>  | <b>1,466</b>  | <b>2,243</b>  |
| YoY gr. (%)                       | 6.9           | (3.1)         | (16.0)        | (10.3)        |
| Margin (%)                        | 14.3          | 13.8          | 12.7          | 15.5          |
| Depreciation / Depletion          | 370           | 329           | 340           | 348           |
| <b>EBIT</b>                       | <b>2,459</b>  | <b>2,027</b>  | <b>1,125</b>  | <b>1,895</b>  |
| Margin (%)                        | 12.5          | 11.9          | 9.8           | 13.1          |
| Net Interest                      | 415           | 376           | 393           | 510           |
| Other Income                      | 64            | 23            | 166           | 30            |
| <b>Profit before Tax</b>          | <b>2,682</b>  | <b>1,674</b>  | <b>898</b>    | <b>1,415</b>  |
| Margin (%)                        | 13.6          | 9.8           | 7.8           | 9.8           |
| Total Tax                         | 558           | 419           | 225           | 447           |
| Effective tax rate (%)            | 20.8          | 25.0          | 25.0          | 31.6          |
| <b>Profit after Tax</b>           | <b>2,124</b>  | <b>1,255</b>  | <b>673</b>    | <b>969</b>    |
| Minority interest                 | -             | -             | -             | -             |
| Share Profit from Associates      | -             | -             | -             | -             |
| <b>Adjusted PAT</b>               | <b>1,669</b>  | <b>1,255</b>  | <b>673</b>    | <b>969</b>    |
| YoY gr. (%)                       | 4.4           | (10.1)        | (24.1)        | (29.1)        |
| Margin (%)                        | 8.5           | 7.3           | 5.8           | 6.7           |
| Extra Ord. Income / (Exp)         | (454)         | -             | -             | -             |
| <b>Reported PAT</b>               | <b>2,124</b>  | <b>1,255</b>  | <b>673</b>    | <b>969</b>    |
| YoY gr. (%)                       | 32.8          | (10.1)        | (24.1)        | (29.1)        |
| Margin (%)                        | 10.8          | 7.3           | 5.8           | 6.7           |
| Other Comprehensive Income        | -             | -             | -             | -             |
| <b>Total Comprehensive Income</b> | <b>2,124</b>  | <b>1,255</b>  | <b>673</b>    | <b>969</b>    |
| Avg. Shares O/s (m)               | -             | -             | -             | -             |
| <b>EPS (Rs)</b>                   | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      |

Source: Company Data, PL Research

**Price Chart**

**Recommendation History**



**Analyst Coverage Universe**

| Sr. No. | Company Name                    | Rating     | TP (Rs) | Share Price (Rs) |
|---------|---------------------------------|------------|---------|------------------|
| 1       | Ashoka Buildcon                 | BUY        | 183     | 153              |
| 2       | CESC                            | BUY        | 204     | 154              |
| 3       | Dilip Buildcon                  | Accumulate | 514     | 454              |
| 4       | Indian Energy Exchange          | Hold       | 135     | 127              |
| 5       | KNR Constructions               | Hold       | 148     | 152              |
| 6       | NCC                             | BUY        | 200     | 156              |
| 7       | NTPC                            | BUY        | 423     | 356              |
| 8       | PNC Infratech                   | BUY        | 291     | 232              |
| 9       | Power Grid Corporation of India | BUY        | 324     | 270              |
| 10      | PSP Projects                    | BUY        | 1,028   | 750              |
| 11      | Rail Vikas Nigam                | Sell       | 183     | 314              |
| 12      | RITES                           | BUY        | 276     | 223              |
| 13      | Tata Power Company              | Hold       | 359     | 366              |

**PL's Recommendation Nomenclature (Absolute Performance)**

|                          |                                   |
|--------------------------|-----------------------------------|
| <b>Buy</b>               | : > 15%                           |
| <b>Accumulate</b>        | : 5% to 15%                       |
| <b>Hold</b>              | : +5% to -5%                      |
| <b>Reduce</b>            | : -5% to -15%                     |
| <b>Sell</b>              | : < -15%                          |
| <b>Not Rated (NR)</b>    | : No specific call on the stock   |
| <b>Under Review (UR)</b> | : Rating likely to change shortly |

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