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Generating Wealth

Q1FY27 Result update
11th Aug 2026

Afcons Infrastructure Ltd

Execution expected to ramp up from Q3FY27E onwards.

CMP: INR 263

Rating: BUY

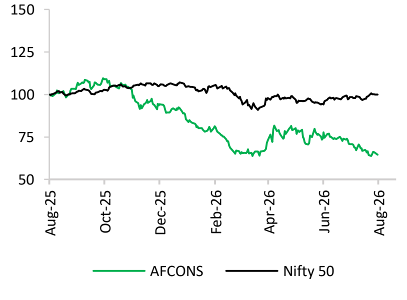
Target Price: INR 390

Stock Info	
BSE	544280
NSE	AFCONS
Bloomberg	AFCONS:IN
Reuters	AFCN.NS
Sector	Infra & Construction
Face Value (INR)	10
Equity Capital (INR mn)	3,678
Mkt Cap (INR mn)	96,726
52w H/L (INR)	479/260
Avg Yearly Volume (in 000')	1,129.9

Shareholding Pattern % *(As on Jun, 2026)*	
Promoters	50.17
DII	20.07
FII	12.15
Public & Others	17.62

Stock Performance (%)	3m	6m	12m
Afcons Infrastructure	-19.5	-20.7	-35.5
NIFTY	3.2	-5.2	0.0

AFCONS vs NIFTY



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Afcons Infrastructure Ltd reported numbers, Q1FY27 revenue stood at INR 26,710mn (-20.8% YoY/+2.2% QoQ); below our estimates of INR 34,932mn. The lower revenue due to adverse weather conditions affecting marine projects, slower-than-anticipated land handovers at several project sites, labor shortages impacting execution pace on certain projects, pending clearances on a few projects and tight liquidity conditions and moderate collections. Gross Profit stood at INR 7,933mn (-31.1% YoY/-7.8% QoQ); below our estimates of INR 11,246mn. Gross margins contracted by 448bps YoY (-322bps QoQ) to 29.7% in Q1FY27. EBITDA stood at INR 2,515mn (-42.2% YoY/+485.9% QoQ); below our estimates of INR 3,485mn. EBITDA margin contracted by 350bps YoY (+777bps QoQ) to 9.4% in Q1FY27, due to increases in energy, transport, and logistics costs. PAT stood at INR 303mn in Q1FY27 vs 1,374mn in Q1FY26; below our estimates of INR 537mn. PAT margin stood at 1.1% in Q1FY27 vs 4.1% in Q1FY26.

Key Highlights

Order inflows remain strong and execution is expected to revive from Q3FY27E onwards: The execution was muted in Q1FY27 due to temporary challenges and easing gradually. Proactive government intervention is resolving land handover issues, and the commencement of TBM operations on the Mumbai-Ahmedabad Bullet Train project marks a pivotal shift. The significant execution pickup from Q3FY27E onwards supports strong recovery. The flagship projects like the Vadhvan port and Croatia Railway expected from FY28E onwards. The order book stood at INR 432.9bn and order inflow stood at INR 150bn YTD and clear path to achieving INR 300bn in FY27E shows business visibility. The near-term bid pipeline is robust INR 1500bn, with major projects like Brahmaputra Tunnel and Dholera connectivity offering substantial future growth.

Strategic focus debt reduction and High-margin, complex projects: The company is strategically pivoting towards large-value, complex engineering projects. The company is selective on bidding and focusing opportunities that align with its technical strengths. The company aimed to reduce net-debt to INR 27-28bn by FY27E. The focus on improving collections, especially from legacy receivables like JJM and reducing interest costs by leveraging interest free advances from new interest-free advances.

Strategic asset ownership for long-term value and execution: The successful inauguration of India's tallest road cable-stayed bridge on the Mumbai-Pune Expressway is a testament to its engineering prowess. The capability complemented by strategic investment in specialized equipment like TBMs and large marine fleet provides a distinct edge in high-rental overseas markets and ensures control over critical project timelines. The asset-heavy model temporarily strained the balance sheet, however improvement through execution from Q3FY27E onwards.

Outlook & Valuation: **Afcons Infrastructure's execution momentum is expected to accelerate from Q3FY27E onwards as land acquisition hurdles ease and TBM operations on the Mumbai-Ahmedabad Bullet Train project commence full-scale tunneling. The order book of INR 432.9bn, with a pipeline of INR 1500bn, positions it to achieve INR 300bn order inflow in FY27E. Major projects like Vadhvan Port and Croatia Railway are expected to contribute from FY28E onwards. The company is aggressively targeting improving the balance sheet, aiming to reduce net debt to INR 27-28bn through enhanced collections and liquidation of receivables. Interest costs are expected to moderate as the mix shifts towards interest-free advances. The increase in overseas revenue to a 30% share would improve margins. The strategic asset ownership, risk framework, and expertise in complex infrastructure would lead to sustainable growth from FY28E onwards. We are estimating revenue/EBITDA/PAT CAGR of 7.8%/6.5%/19.2% for FY26-FY29E. The stock is trading at an EV/EBITDA of 11.7x based on FY27E EBITDA. At the CMP of INR 263 per share, we maintain our "BUY" rating at a TP of INR 390 per share; valued at an EV/EBITDA of 7x (~50% discount to the 1-year forward mean EV/EBITDA of 15x) and its FY29E EBITDA of INR 14,690mn; an upside of 48.3%.**

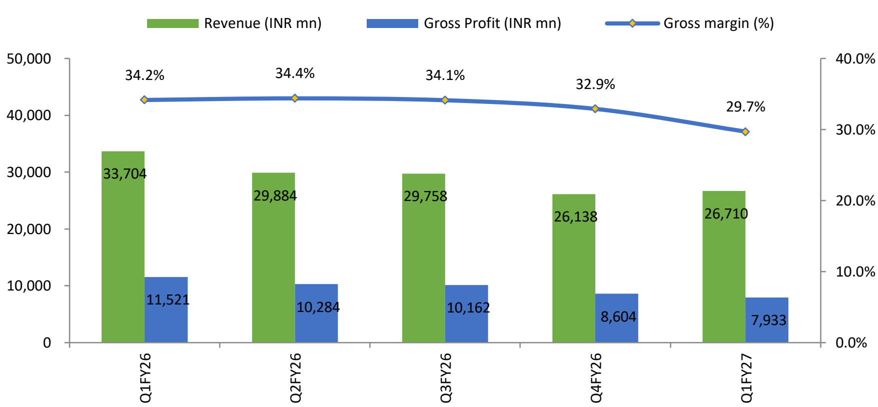
Q1FY27 Results

Exhibit 1: Income statement summary

Particular (INR mn)	Q1FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Revenue	**33,704**	**26,138**	**26,710**	**-20.8%**	**2.2%**
Net Raw Materials	6,801	5,803	5,768	-15.2%	-0.6%
Construction expenses	15,382	11,731	13,010	-15.4%	10.9%
Gross profit	**11,521**	**8,604**	**7,933**	**-31.1%**	**-7.8%**
Gross margin (%)	**34.2%**	**32.9%**	**29.7%**	**-448 bps**	**-322 bps**
Employee Cost	3,775	3,787	3,028	-19.8%	-20.1%
Other Expenses	3,393	4,388	2,390	-29.6%	-45.5%
EBITDA	**4,353**	**429**	**2,515**	**-42.2%**	**485.9%**
EBITDA Margin (%)	**12.9%**	**1.6%**	**9.4%**	**-350 bps**	**+777 bps**
Depreciation	1,388	996	835		
Interest expense	1,618	1,750	1,731		
Other income	487	1,628	557		
Profit before tax	**1,834**	**(689)**	**506**	**-72.4%**	**-173.5%**
Taxes	460	197	203		
PAT	**1,374**	**(886)**	**303**	**-77.9%**	**-134.3%**
PAT Margin (%)	**4.1%**	**-3.4%**	**1.1%**	**-294 bps**	**+452 bps**
EPS (INR)	**3.7**	**(2.4)**	**0.8**		

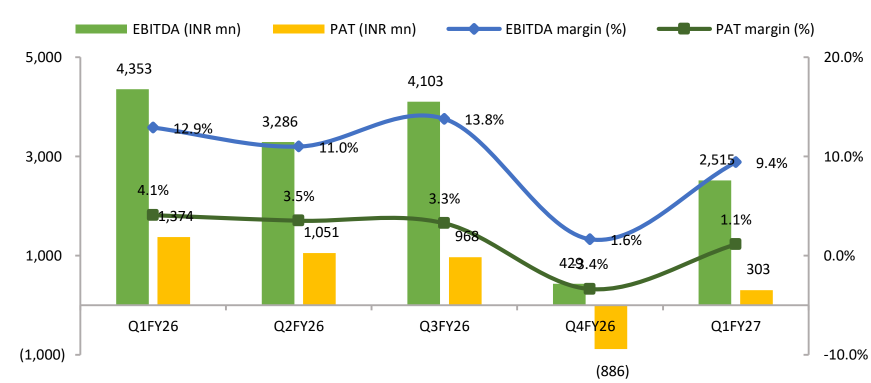
Source: Company Reports, Arihant Capital Research

Exhibit 2: Gross margins contracted by 448 bps YoY (-322 bps QoQ) to 29.7% in Q1FY27 due to higher construction and RM costs.



Source: Company Reports, Arihant Capital Research

Exhibit 3: EBITDA margin contracted by 350 bps YoY (+777 bps QoQ) to 9.4% in Q1FY27, due to increases in energy, transport, and logistics costs.



Source: Company Reports, Arihant Capital Research

Order book

Exhibit 4: Marine & Industrial and Surface transport order book significantly increased, while other segments faced challenges in Q1FY27.

Segment-wise Order book (INR bn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Urban Infra - Underground & Elevated Metro	129.3	121.7	113.0	104.6	94.6	91.0	90.9	-19.5%	-0.1%
Urban Infra - Bridge & Elevated Corridor	87.4	81.1	77.7	71.9	69.4	74.7	69.3	-10.8%	-7.3%
Hydro & Underground	95.1	88.5	88.3	81.7	78.9	74.7	69.3	-21.5%	-7.3%
Marine & Industrial	19.0	44.2	45.9	42.5	50.5	48.7	95.2	107.5%	95.4%
Surface Transport	34.2	18.4	17.7	19.6	15.8	29.2	103.9	488.5%	255.2%
Oil & Gas	15.2	14.7	10.6	6.5	6.3	6.5	4.3	-59.1%	-33.4%
Total order book	**380.2**	**368.7**	**353.1**	**326.8**	**315.4**	**325.0**	**432.9**	**22.6%**	**33.2%**

Segment-wise Order book (%)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Urban Infra - Underground & Elevated Metro	34.0%	33.0%	32.0%	32.0%	30.0%	28.0%	21.0%		
Urban Infra - Bridge & Elevated Corridor	23.0%	22.0%	22.0%	22.0%	22.0%	23.0%	16.0%		
Hydro & Underground	25.0%	24.0%	25.0%	25.0%	25.0%	23.0%	16.0%		
Marine & Industrial	5.0%	12.0%	13.0%	13.0%	16.0%	15.0%	22.0%		
Surface Transport	9.0%	5.0%	5.0%	6.0%	5.0%	9.0%	24.0%		
Oil & Gas	4.0%	4.0%	3.0%	2.0%	2.0%	2.0%	1.0%		
Total order book	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**		

Source: Company Reports, Arihant Capital Research

Exhibit 5: Overseas order book grew 165.6% YoY (+166.4% QoQ), while domestic order book slowed down to 3.1% YoY (+13.3% QoQ). Overseas project margins are better than domestic projects.

Geography-wise order book (INR bn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Domestic	323.2	317.1	310.7	290.9	283.9	282.7	320.3	3.1%	13.3%
Overseas	57.0	51.6	42.4	35.9	31.5	42.2	112.6	165.6%	166.4%
Total order book	**380.2**	**368.7**	**353.1**	**326.8**	**315.4**	**325.0**	**432.9**	**22.6%**	**33.2%**

Geography-wise order book (%)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Domestic	85.0%	86.0%	88.0%	89.0%	90.0%	87.0%	74.0%		
Overseas	15.0%	14.0%	12.0%	11.0%	10.0%	13.0%	26.0%		
Total order book	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**		

Source: Company Reports, Arihant Capital Research

Exhibit 6: Private order book faced challenges, while Multilateral witnessed strong growth in Q1FY27.

Client-wise order book (INR bn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Government	311.8	291.3	277.2	258.2	255.5	256.7	298.7	7.8%	16.4%
Multilateral	41.8	36.9	33.5	29.4	25.2	39.0	108.2	222.6%	177.5%
Private Sector	26.6	40.6	42.4	39.2	34.7	29.2	26.0	-38.7%	-11.2%
Total order book	**380.2**	**368.7**	**353.1**	**326.8**	**315.4**	**325.0**	**432.9**	**22.6%**	**33.2%**

Client-wise order book (%)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Government	82.0%	79.0%	78.5%	79.0%	81.0%	79.0%	69.0%		
Multilateral	11.0%	10.0%	9.5%	9.0%	8.0%	12.0%	25.0%		
Private Sector	7.0%	11.0%	12.0%	12.0%	11.0%	9.0%	6.0%		
Total order book	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**		

Source: Company Reports, Arihant Capital Research

Q1FY27 Concall Highlights

Margins

- Margins impacted by lower turnover, higher energy and transport & logistics costs, and an inability to fully cover overheads. Project-level margins remain robust.
- Overseas project margins are 200-300bps higher than domestic. The company is focused on large-value complex jobs without compromising the risk framework.

Order book

- The order book stood at INR 432.9bn in Q1FY27. The order inflows stood at INR 132.19bn in Q1FY27, with YTD inflows at INR 157bn. The management is targeting order inflows of INR 300bn in FY27E.
- International order book share stood at 25% and is expected to reach 30% as new global orders mature.

Bid pipeline

- The bid pipeline for the next 9 months is INR 1500bn. The breakup is urban infrastructure (34%), marine (32%), hydro/underground/water (20%) and surface transport (14%). The large projects include Brahmaputra tunnel (~INR 190bn) and Dholera connectivity (~INR 180bn).
- The two-year pipeline is INR 3,960bn.

Capex

- Capex stood at INR 1.5bn in Q1FY27. Capex is expected to be INR 7-8bn in FY27E and INR 6-6.5bn in FY28E.
- Strategic equipment ownership (marine fleet, TBMs) provides a competitive advantage, especially in high-rental overseas markets.

Execution

- Q1FY27 execution was impacted by land handover delays, adverse weather, labor shortages, and pending clearances. These issues are progressively easing with proactive government intervention in Maharashtra and MP. Execution significant pickup from Q3FY27E onwards, with H2 share expected at 55%-60% of revenue.
- The company is balancing execution with liquidity, limiting exposure to customers with payment issues.

Mumbai-Ahmedabad Bullet Train

- Both TBMs successfully commenced initial tunneling drives as scheduled.
- Main tunneling drives expected to start in coming months, with TBM-related higher-value turnover commencing from Nov-26. Force majeure settlement is in the final stages, expected in Q2FY27E.

Flagship projects

- Mumbai-Pune Expressway Missing Link was inaugurated on 1st May 2026, featuring India's tallest road cable-stayed bridge.
- Vadhvan port work is in early stages with geotechnical/design work only in FY27E; significant revenue expected from FY28E.
- Croatia railway project, the company's largest single order, will see minimal turnover in FY27E with major execution from FY28E.

Q1FY27 Concall Highlights

JJM

- JJM order book stood at INR 12.21bn. The breakup is UP (INR 5.1bn), MP (INR 4.41bn) and Rajasthan (INR 2.97bn). UP remains the primary challenge with INR 4bn in receivables. MP and Rajasthan payments are progressing.

- Slow-moving orders constitute 11% of the order book, with Bangladesh (2%) and JJM (3%) being key contributors.

Working capital & Debt

- Working capital remained elevated due to delayed certifications and payments, though deterioration was less severe than Q1FY26.

- The management targets debt reduction of INR 3-4bn and net debt of INR 27-28bn in FY27E.

Interest cost & Advances

- Finance costs rose due to higher average borrowing. Average borrowing cost has been reduced through refinancing high-cost debt.

- Around 62% of advances are interest-free, 38% are interest-bearing. Interest cost is expected to decline as new international orders (interest-free) and domestic orders have lower rates.

Depreciation & Other income

- Depreciation was lower (~3% of sales) due to minimal TBM activity (no accelerated depreciation).

- Other income is expected to be INR 4bn in FY27E.

Taxation & JV impact

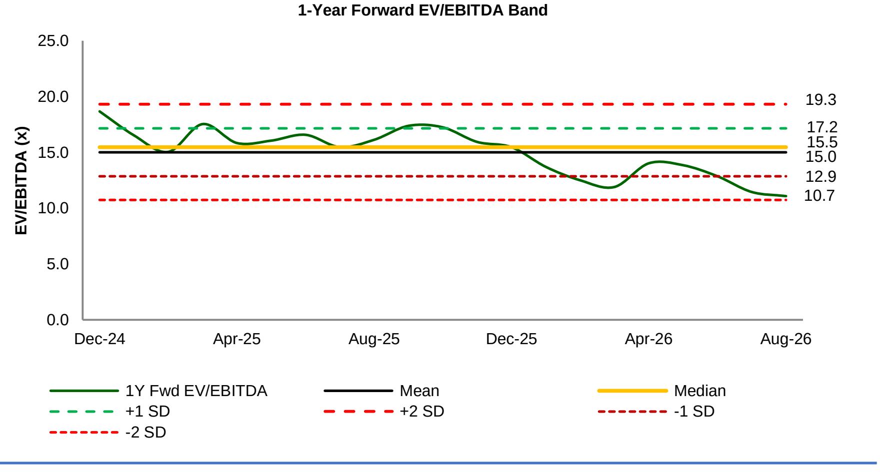
- Effective tax rate was ~40% in Q1FY27, due to administrative expenses and provisions in closed JV/subsidiary projects. Some overseas JVs face higher tax rates.

Outlook & Valuation: Afcons Infrastructure's execution momentum is expected to accelerate from Q3FY27E onwards as land acquisition hurdles ease and TBM operations on the Mumbai-Ahmedabad Bullet Train project commence full-scale tunneling. The order book of INR 432.9bn, with a pipeline of INR 1500bn, positions it to achieve INR 300bn order inflow in FY27E. Major projects like Vadhvan Port and Croatia Railway are expected to contribute from FY28E onwards. The company is aggressively targeting improving the balance sheet, aiming to reduce net debt to INR 27-28bn through enhanced collections and liquidation of receivables. Interest costs are expected to moderate as the mix shifts towards interest-free advances. The increase in overseas revenue to a 30% share would improve margins. The strategic asset ownership, risk framework, and expertise in complex infrastructure would lead to sustainable growth from FY28E onwards. We are estimating revenue/EBITDA/PAT CAGR of 7.8%/6.5%/19.2% for FY26-FY29E. The stock is trading at an EV/EBITDA of 11.7x based on FY27E EBITDA. At the CMP of INR 263 per share, we maintain our "BUY" rating at a TP of INR 390 per share; valued at an EV/EBITDA of 7x (~50% discount to the 1-year forward mean EV/EBITDA of 15x) and its FY29E EBITDA of INR 14,690mn; an upside of 48.3%.

Valuation based on EV/EBITDA - FY29E	
EBITDA (INR mn)	14,690
EV/EBITDA (x)	7
EV (INR mn)	1,02,828
Debt (INR mn)	47,192
Cash (INR mn)	6,536
Market Cap (INR mn)	1,43,483
Shares (mn)	368
Target Price (INR)	**390**
CMP (INR)	**263**
Upside/Downside (%)	**48.3%**
Rating	**BUY**

Source: Arihant Capital Research

Exhibit 7: We assigned 7x of EV/EBITDA (~50% discount of 1-year forward mean EV/EBITDA), due to slowdown in execution.



Sensitivity Analysis

Exhibit 8: Changes in revenue and EBITDA margin impact on PAT & EPS.

FY29E PAT (INR mn)

Revenue (INR mn)	EBITDA Margin (%)						
4,247	8.5%	9.0%	9.5%	10.0%	10.5%	11.0%	11.5%
1,35,000	1,842	2,347	2,852	3,357	3,862	4,367	4,872
1,40,000	2,160	2,684	3,207	3,731	4,255	4,778	5,302
1,45,000	2,478	3,020	3,563	4,105	4,647	5,190	5,732
1,50,000	2,796	3,357	3,918	4,479	5,040	5,601	6,162
1,55,000	3,114	3,694	4,273	4,853	5,433	6,012	6,592
1,60,000	3,432	4,030	4,629	5,227	5,825	6,424	7,022
1,65,000	3,750	4,367	4,984	5,601	6,218	6,835	7,452

FY29E EPS (INR)

Revenue (INR mn)	EBITDA Margin (%)						
11.5	8.5%	9.0%	9.5%	10.0%	10.5%	11.0%	11.5%
1,35,000	5.0	6.4	7.8	9.1	10.5	11.9	13.2
1,40,000	5.9	7.3	8.7	10.1	11.6	13.0	14.4
1,45,000	6.7	8.2	9.7	11.2	12.6	14.1	15.6
1,50,000	7.6	9.1	10.7	12.2	13.7	15.2	16.8
1,55,000	8.5	10.0	11.6	13.2	14.8	16.3	17.9
1,60,000	9.3	11.0	12.6	14.2	15.8	17.5	19.1
1,65,000	10.2	11.9	13.6	15.2	16.9	18.6	20.3

Source: Company Reports, Arihant Capital Research

Exhibit 9: Target Price range based on PE & EV/EBITDA.

FY29E Target Price (INR)

EPS (INR)	PE (x)						
390	15.0x	20.0x	25.0x	30.0x	35.0x	40.0x	45.0x
9.0	135	180	225	270	315	360	405
10.0	150	200	250	300	350	400	450
11.0	165	220	275	330	385	440	495
12.0	180	240	300	360	420	480	540
13.0	195	260	325	390	455	520	585
14.0	210	280	350	420	490	560	630
15.0	225	300	375	450	525	600	675

FY29E Target Price (INR)

EBITDA (INR mn)	EV/EBITDA (x)						
390	5.0x	6.0x	7.0x	8.0x	9.0x	10.0x	11.0x
12,000	274	306	339	372	404	437	469
13,000	287	323	358	393	429	464	499
14,000	301	339	377	415	453	491	529
15,000	314	355	396	437	478	518	559
16,000	328	372	415	459	502	546	589
17,000	342	388	434	480	527	573	619
18,000	355	404	453	502	551	600	649

Source: Company Reports, Arihant Capital Research

Financial Statements

Income statement summary

Y/e 31 Mar (INR mn)	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue	1,32,675	1,25,484	1,19,484	1,19,706	1,33,435	1,49,798
Net Raw Materials	93,065	85,362	78,913	80,344	89,492	1,00,407
Employee Cost	13,834	14,351	14,517	14,795	16,452	18,425
Other Expenses	12,126	12,212	13,882	13,247	14,633	16,277
EBITDA	**13,650**	**13,560**	**12,171**	**11,320**	**12,858**	**14,690**
EBITDA Margin (%)	**10.3%**	**10.8%**	**10.2%**	**9.5%**	**9.6%**	**9.8%**
Depreciation	(4,945)	(4,911)	(4,539)	(4,850)	(5,473)	(5,955)
Interest expense	(5,773)	(6,292)	(6,736)	(7,097)	(7,146)	(7,101)
Other income	3,794	4,744	3,737	3,448	3,747	4,045
Profit before tax	**6,726**	**7,100**	**3,868**	**2,820**	**3,986**	**5,678**
Taxes	(2,229)	(2,232)	(1,361)	(786)	(1,004)	(1,431)
PAT	**4,498**	**4,868**	**2,507**	**2,034**	**2,981**	**4,247**
PAT Margin (%)	**3.4%**	**3.9%**	**2.1%**	**1.7%**	**2.2%**	**2.8%**
EPS (INR)	13.2	13.0	7.0	5.5	8.1	11.5

Source: Company Reports, Arihant Capital Research

Balance sheet summary

Y/e 31 Mar (INR mn)	FY24	FY25	FY26	FY27E	FY28E	FY29E
Equity capital	3,407	3,678	3,678	3,678	3,678	3,678
Reserves	32,552	48,927	50,820	52,780	55,652	59,743
Net worth	**35,960**	**52,605**	**54,498**	**56,457**	**59,329**	**63,421**
Minority Interest	16	15	8	8	8	8
Provisions	2,365	1,720	2,200	2,155	2,402	2,696
Debt	29,196	26,645	46,842	47,792	47,492	47,192
Total Liabilities	**83,086**	**1,04,343**	**1,25,015**	**1,27,959**	**1,33,249**	**1,40,280**
Fixed assets	27,151	26,309	24,104	35,513	36,897	37,833
Capital Work In Progress	431	329	9,010	357	391	425
Other Intangible assets	6	6	5	5	5	5
Investments	4,188	4,427	4,297	4,309	4,804	5,393
Other non current assets	15,834	19,772	18,286	18,554	20,682	23,219
Net working capital	**23,799**	**43,701**	**58,357**	**55,242**	**57,726**	**64,621**
Inventories	16,266	10,102	10,166	10,786	11,769	12,929
Sundry debtors	36,202	34,582	40,381	37,060	40,945	45,966
Loans & Advances	618	572	679	599	667	749
Other current assets	49,963	65,294	73,425	70,512	74,943	84,133
Sundry creditors	(47,566)	(39,751)	(44,707)	(42,167)	(46,579)	(52,193)
Other current liabilities & Prov	(31,684)	(27,098)	(21,587)	(21,547)	(24,018)	(26,964)
Cash	6,663	7,706	8,859	12,180	10,741	6,536
Other Financial Assets	5,013	2,093	2,095	1,796	2,002	2,247
Total Assets	**83,086**	**1,04,343**	**1,25,015**	**1,27,959**	**1,33,249**	**1,40,280**

Source: Company Reports, Arihant Capital Research

Du-Pont Analysis

Y/e 31 Mar	FY24	FY25	FY26	FY27E	FY28E	FY29E
Tax burden (x)	0.7	0.7	0.6	0.7	0.7	0.7
Interest burden (x)	0.8	0.8	0.5	0.4	0.5	0.7
EBIT margin (x)	0.1	0.1	0.1	0.1	0.1	0.1
Asset turnover (x)	0.9	0.8	0.7	0.6	0.7	0.7
Financial leverage (x)	4.2	3.6	3.3	3.3	3.3	3.3
RoE (%)	**13.3%**	**11.0%**	**4.7%**	**3.7%**	**5.1%**	**6.9%**

Source: Company Reports, Arihant Capital Research

Financial Statements

Cashflow summary

Y/e 31 Mar (INR mn)	FY24	FY25	FY26	FY27E	FY28E	FY29E
Profit before tax	6,726	7,100	3,868	2,820	3,986	5,678
Depreciation	4,945	4,911	4,539	4,850	5,473	5,955
Tax paid	(2,229)	(2,232)	(1,361)	(786)	(1,004)	(1,431)
Working capital Δ	(7,397)	(19,902)	(14,657)	3,115	(2,484)	(6,894)
Operating cashflow	**2,046**	**(10,123)**	**(7,610)**	**9,999**	**5,970**	**3,308**
Capital expenditure	(6,204)	(3,966)	(11,016)	(7,607)	(6,891)	(6,925)
Free cash flow	**(4,158)**	**(14,089)**	**(18,626)**	**2,393**	**(920)**	**(3,617)**
Equity raised	(7)	12,066	(530)	0	0	-
Investments	(523)	(240)	130	(12)	(494)	(589)
Others	(109)	(1,017)	1,485	31	(2,334)	(2,782)
Debt financing/disposal	7,881	(2,551)	20,197	950	(300)	(300)
Dividends paid	(288)	(288)	(92)	(75)	(109)	(156)
Other items	93	7,162	(1,410)	34	2,718	3,240
Net Δ in cash	**2,888**	**1,043**	**1,153**	**3,321**	**(1,440)**	**(4,204)**
Opening Cash Flow	**3,774**	**6,663**	**7,706**	**8,859**	**12,180**	**10,741**
Closing Cash Flow	**6,663**	**7,706**	**8,859**	**12,180**	**10,741**	**6,536**

Source: Company Reports, Arihant Capital Research

Ratio analysis

Y/e 31 Mar	FY24	FY25	FY26	FY27E	FY28E	FY29E
Growth matrix (%)						
Revenue growth	5.0%	-5.4%	-4.8%	0.2%	11.5%	12.3%
Op profit growth	4.2%	-0.7%	-10.2%	-7.0%	13.6%	14.2%
Profitability ratios (%)						
OPM	10.3%	10.8%	10.2%	9.5%	9.6%	9.8%
Net profit margin	3.4%	3.9%	2.1%	1.7%	2.2%	2.8%
RoCE	13.7%	12.4%	8.0%	6.8%	7.7%	8.6%
RoNW	13.3%	11.0%	4.7%	3.7%	5.1%	6.9%
RoA	5.4%	4.7%	2.0%	1.6%	2.2%	3.0%
Per share ratios (INR)						
EPS	13.2	13.0	7.0	5.5	8.1	11.5
Dividend per share	0.8	0.8	0.3	0.2	0.3	0.4
Cash EPS	27.7	26.6	19.2	18.7	23.0	27.7
Book value per share	105.5	143.0	148.2	153.5	161.3	172.4
Valuation ratios (x)						
P/E	20.0	20.3	37.3	47.6	32.4	22.8
P/CEPS	9.5	9.9	13.7	14.1	11.4	9.5
P/B	2.5	1.8	1.8	1.7	1.6	1.5
EV/EBITDA	8.2	8.5	11.1	11.7	10.4	9.4
Payout (%)						
Dividend payout	6.4%	5.9%	3.7%	3.7%	3.7%	3.7%
Tax payout	33.1%	31.4%	35.2%	27.9%	25.2%	25.2%
Liquidity ratios						
Debtor days	89	103	114	118	107	106
Inventory days	63	56	47	48	46	45
Creditor days	134	142	144	146	134	133
WC Days	18	17	18	19	18	17
Leverage ratios (x)						
Interest coverage	1.5	1.4	1.1	0.9	1.0	1.2
Net debt / equity	0.6	0.4	0.7	0.6	0.6	0.6
Net debt / op. profit	1.7	1.4	3.1	3.1	2.9	2.8

Source: Company Reports, Arihant Capital Research

Story in Charts

Exhibit 10: Revenue is expected to grow at a CAGR of 7.8% over the period of FY26-29E.

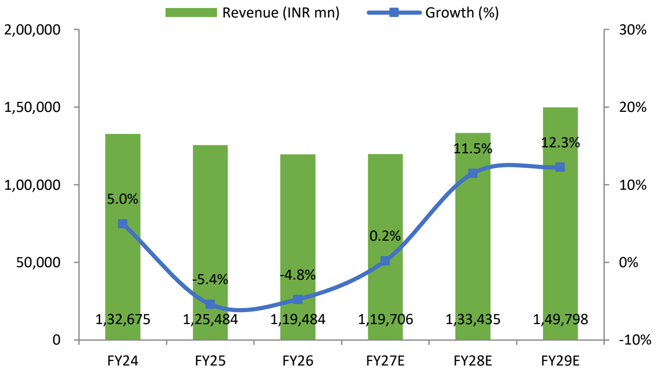


Exhibit 11: Gross margins are expected to improve going forward.

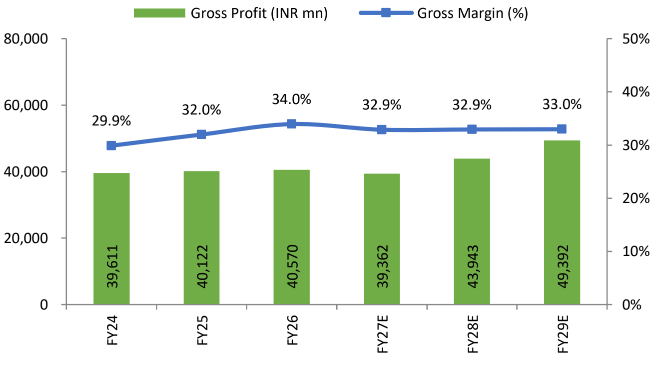


Exhibit 12: Growth in EBITDA & PAT levels

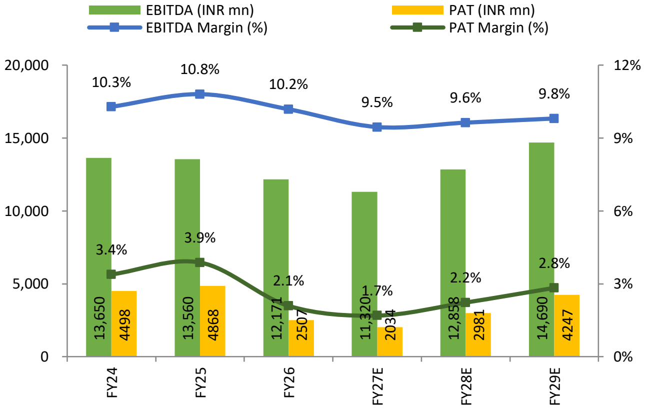


Exhibit 13: Return ratios to be improve

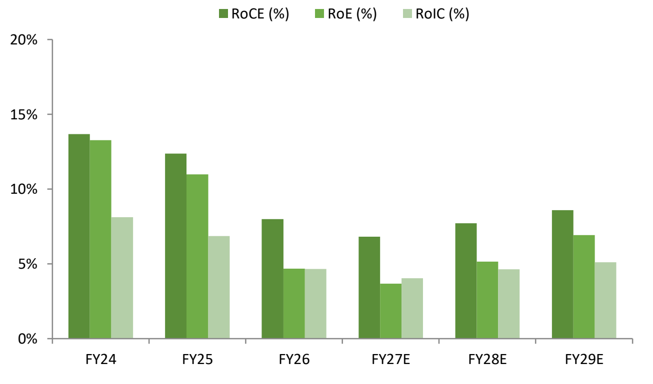


Exhibit 14: Working capital days to be improve.

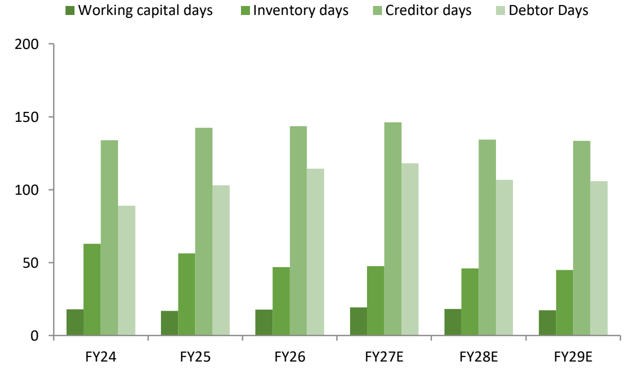
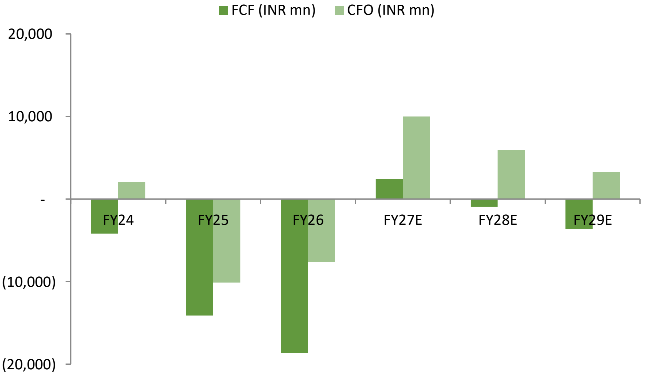


Exhibit 15: Cash flows to be improve.



Source: Company Reports, Arihant Capital Research

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REDUCE	-5% to -12%
SELL	<-12%

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