Sector: Civil Construction **RESULT REVIEW Q1FY27** **Declared On: 12 Aug 2026**

The Indian Hume Pipe Co. Limited

RECOMMENDATION SNAPSHOT				
*CMP	MCap (Rsbn)	Recommendation	Target	Potential Upside
Rs376	19.8	Hold	Rs400	6%

as on 12th Aug, 2026

About the Company:

Established in 1926, The Indian Hume Pipe Company Limited (IHP), is a major player in the business of manufacturing, laying and jointing of pipelines of various pipe materials such as RCC pipes, steel pipes, pre-stressed concrete pipes, penstock pipes, bar wrapped steel cylinder pipes (BWSC), pre-stressed concrete cylinder pipes (PCCP) etc. All this work is involved in providing infrastructure facility and development for drinking water supply projects, irrigation projects, hydroelectric projects, sanitation and sewerage systems. IHP is considered a pioneer in the field of water supply and has been in this line for more than 9 decades. The company is chaired by Mr. Rajas R. Doshi who is a graduate in Civil Engineering and has an experience of more than four decades in this industry.

Results: Quick Glance:

- The net sales reported a de-growth of 1.5% to Rs3,028mn as compared to Rs3,074mn in the same quarter last year
- The Ebitda margins for the quarter stood at 9.8% as compared to 11.0% in the comparative quarter last year
- The company reported profit of Rs236mn as compared to Rs219mn in the same quarter last year
- The EPS for the quarter stood at Rs4.47 as compared Rs4.16 in the corresponding period of last year

Other Updates:

- The residential projects being developed by Dosti Realty Ltd. and Kalpataru Ltd. on the company's surplus land at Hadapsar and Sinhagad Road, Pune has have received good response and till 10th May, 2026, the company has received cash flows of Rs1988.7mn from both the projects
- **Progress on Real Estate Segment: (i) Dosti Greenscapes at Hadapsar (Pune):** as on 09th Aug'26, ~756 is the total number of units booked with an agreement value of ~Rs6270.5mn where IHP share is ~Rs2382.8mn (38%) and the company has already received an advance of Rs1793.2mn. The entire project is in phased form (phase 1- has 3 towers; phase 2-has 3 towers; phase 3-has 2 towers; phase 4-has 1 tower) which consists of a total of 12 residential towers and 1 commercial tower with total RERA carpet area of 10,95,288.67 sq. ft. and total useable carpet area of 12,21,523.69 sq. ft. Out of the above 9 towers, as per the project schedule, Occupation Certificate (OC) is expected for 5 towers in the current financial year. Remaining 4 towers will be launched according to launch planning by M/s Dosti Realty Ltd **(ii) Kalpataru Blossoms at Vadgaon (Pune):** The company has entered into development agreement with M/s Kalpataru Ltd. for its land at Vadgaon, Pune admeasuring ~6,73,826 sq.ft. on revenue sharing basis in ratio of 32.50% to the company and 67.50% to M/s Kalpataru Ltd, the project is subdivided into Plot A (land area of ~224,967,60 sq.ft.) and Plot B (land area of ~448,858.80 sq.ft.). At present Plot A has been taken for development and Plot B will be taken in due course. The Plot A consists of 3 residential towers with a portion of commercial units with total RERA carpet area of ~5,62,085 sq. ft. and total usable carpet area of ~857,277 sq. ft. Presently plan sanctions for Plot A have been obtained partially. Remaining plan sanctions for Plot A will be obtained according to launch planning by M/s Kalpataru Ltd. As of 09th Aug'26, 220 units have been booked with agreement value of Rs4332.8mn and the share of IHP (32.5%) stands at Rs1408.2mn with an advance of Rs670.3mn already received
- The **estimated balance** value of the work/order book as on 04th Aug'26 was ~Rs47306.9mn as against Rs39448.7mn as on 31st July'25
- The **recent new orders** received in the States of Rajasthan Rs6,300mn and Telangana Rs4,590mn are still at implementation stage and expected to commence execution by 3rd quarter of the current year

Financials:

Performance (Q1FY27)							
Q1FY27 Result (Rs mn)	**Jun-26**	**Jun-25**	**y-o-y**	**Mar-26**	**q-o-q**	**FY26**	**FY27E**
Total Revenue	3028	3074	(1.5%)	3513	(13.8%)	13056	13809
EBITDA	298	337	(11.8%)	383	(22.4%)	1457	1547
Other Income	170	119	43.0%	109	55.3%	448	318
Interest	105	119	(11.7%)	116	(8.8%)	474	462
Depreciation	46	46	0.9%	52	(11.1%)	198	200
Exceptional Items	0	0	-	0	-	643	0
Tax	80	72	11.6%	95	(15.9%)	466	301
Net Profit	**236**	**219**	**7.5%**	**230**	**2.6%**	**1411**	**903**

Outlook and Recommendations:

Q1FY27 started on a flat note for IHP on the revenue front, with operations at similar levels of the comparative quarter. The previous quarter results had built on conviction for a better FY27; Q1 results added more evidence through better margins and improvement in the BS expected going forward. Revenues for the quarter reported a drop of 1.5% y-o-y. The margins continue to fluctuate which is basically based on the project/product mix and not on the pricing power. The Management has highlighted that the surplus cashflow generated by **monetisation** of idle land parcels of the company at Bangalore and Hyderabad in recent years along with cashflow received from development of real estate in two projects at Pune, has resulted into lowering of working capital borrowing substantially thereby **reducing borrowing cost**; leading to BS improvement. The **treasury income** of Rs125.7mn is higher than the interest cost of Rs105.4mn during the quarter, indicating net positive cash management cycle/net debt free status. The most **encouraging** change is that profitability has held up despite virtually flat operating revenue, while the order book appears to have moved materially higher and **two large new orders** Rajasthan Rs6,300mn and Telangana Rs4,590mn are now in implementation and expected to start execution in Q3 of the current year. If these projects begin execution without materially diluting margins, it would be a very powerful combination for growth.

In terms of **segmental** performance, there is no reported revenue yet from the land development, as real estate revenues are sitting as advances in the BS but optimistically should start flowing into the PnL from next year onwards. Huge opportunities are building for the **pipe segment** business in terms of river linkage projects; IHP has its PCCP and bar wrapped steel cylindrical pipes that are cost effective but high delivery products. The **estimated balance** value of the work/order book as on 04th Aug 2026 was ~Rs47.30bn as against Rs39.44bn as on 31st July'25. The development work across different projects (IHP is monetising its surplus land in Pune through two joint development projects) has been advancing as per schedule; would contribute to the revenues once developmental work is completed. The company seems to have been working on **projects with short cycles**, which tends to have a quicker cash turnaround, thus reducing the overall working capital stress and improving the quality of the balance sheet. It continues to command on some of the key triggers including structural demand tailwind within the country, healthy order book, good execution history, focus on earnings quality, and the potential to fetch better operating leverages in near and distant future. If operating cash flow improves alongside Ebitda, the quality of the thesis rises substantially. Going ahead some of the key points to examine include the inventory/receivables, unbilled revenues/advances from customers, working-capital cycle, operating cash flow, treasury investments and finance cost. Going forward, the fillip to the domestic infrastructure growth via capex enhancement can be a good trigger for IHP which has a good brand recall, expertise and execution capabilities. We have achieved our target of Rs400, but the current valuations are factoring the immediate triggers and thereby we recommend hold on the stock.

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