

November 2022

VALUE PARAMETERS

Face Value (Rs.)	1.00
Mrk.Cap (Rs. in Cr)	1,116
Enterprise value (Rs in Cr)	1,124
52-Week High/Low	79.9/21.4
EPS (TTM)	0.37
P/E Ratio (TTM)	192
Book Value per share (Rs)	1.72
Industry P/E	33.4
P/B Ratio (calc at CMP)	41.1
Dividend Yield (%)	0.05
Cash equivalents (Rs. Cr)	0.24
Debt (Rs. Cr)	8.5

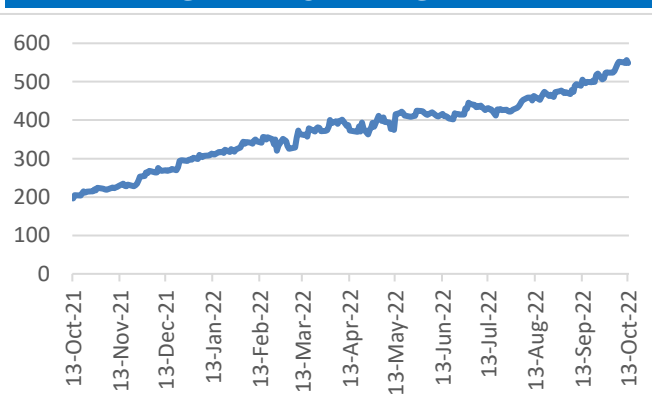
SHAREHOLDING PATTERN

Promoters	71.77
FII's	0.00
DII's	0.00
Public	28.23

FINANCIAL PERFORMANCE

Consolidated	FY22	FY23E	FY24E
Revenues (Rs. Cr)	147.19	192.82	254.52
Growth (%)	70.6%	31.3%	32%
Expenditures	137.55	179.32	237.98
EBITDA (Rs. Cr)	9.64	13.50	16.54
EBITDA margin	6.5%	7.0%	6.5%
PAT (Rs. Cr)	6.41	8.33	11
PAT margin (%)	4.4%	4.3%	4.3%
EPS (Rs)	0.40	0.52	0.67
RoE (%)	30.3	31.2	32.1
RoCE (%)	30.3	32.5	32.3
RoA (%)	17.9	18.2	18.5

PRICE PERFORMANCE



**Our Recommendation:** Annual Revenue rose 70.60% in the last year while its sector's average revenue growth for the last fiscal year was 24.04%. Annual Net Profit rose 254.66% in the last year while its sector's average net profit growth for the last fiscal year was 78.97%. The company is expected to outperform in coming quarters post COVID restrictions ease off aided by improved demands. Given these scenarios, we recommend BUY in price range Rs. 68-70 with target price Rs 80 (upside 14%).

**Investment Rationale:**

**About Company:** Sanmit Infra Ltd is mainly engaged in the business of Bio-medical and other waste management, Infra and Real Estate Development, and Trading in Petroleum Products.

**Business Verticals:**

1. Real Estate (Residential & Commercial Complexes);
2. Resale of HPCL's Petroleum Products;
3. Treatment of Biomedical Waste.

**Services Offered:**

The company offers services in the real estate, infrastructure, treatment of biomedical waste, petroleum distribution sectors, etc.

**Products Portfolio:**

Petroleum Products - Lubricants, Public Distribution System (PDS) Kerosene, Furnace oil, Light diesel oil, and Base oil.

Bio-Medical Waste Products - SAN-MIT-20, SAN-MIT-50 & SAN-MIT-75.

**Q1FY23 Results:**

- Revenue fell by 6.80% on year-on-year basis to Rs 37.72 crore from Rs 40.30 crore in same quarter in a year-ago period. On sequential basis, revenue fell by 2.63% from Rs 38.74 crore in Q4FY22.
- EBITDA fell by 25.45% on year-on-year basis to Rs 1.64 crore from Rs 2.20 crore in the same quarter in a year-ago period. On sequential basis, EBITDA fell by 21.53% from Rs 2.09 crore in Q4FY22.
- EBITDA margins decreased by 120 bps to 4.3% from 5.5% reported in the same quarter in a year-ago period. On sequential basis, margin decreased by 110 bps.
- PAT fell by 37.25% to Rs. 0.96 crore from Rs 1.53 crore reported in the same quarter in a year-ago period. On sequential basis, PAT fell by 12.73% from 1.10 crore.

**Stock Insights:**

**Positives:**

- Annual Revenue rose 70.60% in the last year. Its sector's average revenue growth for the last fiscal year was 24.04%.
- Annual Net Profit rose 254.66% in the last year. Its sector's average net profit growth for the last fiscal year was 78.97%.
- Stock Price outperformed its sector by 96.24% in the past year.
- Debt to Equity Ratio is less than one and healthy. This implies that its assets are financed mainly through equity.
- Interest Coverage Ratio is higher than 1.5. This means that it is able to meet its interest payments comfortably with its earnings (EBIT).

**Negatives:**

- Quarterly Revenue fell 6.41% YoY. Its sector's average revenue growth YoY for the quarter was 62.24%.
- Quarterly Net profit fell 37.88% YoY. Its sector's average net profit growth YoY for the quarter was 92.22%.
- Stock is trading at 32x its book value.

## Financials and Valuations

### Q1FY23 Quarterly financials standalone (Rs in Cr)

Y/E March (INR Crore)	Q1FY23	Q1FY22	YoY chang (%)	Q4FY22	QoQ chang (%)
<b>Revenue</b>	<b>37.72</b>	<b>40.30</b>	-6.80	<b>38.74</b>	-2.63
<b>Expenditure</b>	<b>36.08</b>	<b>38.10</b>	-5.30	<b>36.65</b>	-1.56
<i>% of Sales</i>	95.7	94.5	-	94.6	-
<b>EBITDA</b>	<b>1.64</b>	<b>2.20</b>	-25.45	<b>2.09</b>	-21.53
<i>Margin (%)</i>	4.3	5.5	-120 bps	5.4	-110 bps
Depreciation	0.34	0.22	54.55	0.39	-12.82
<b>EBIT</b>	<b>1.30</b>	<b>1.98</b>	-34.34	<b>1.70</b>	-23.53
Int. and Finance Charges	0.16	0.14	14.29	0.18	-11.11
Other Income	0.08	-	-	0.02	-
<b>PBT bef. EO Exp.</b>	<b>1.22</b>	<b>1.84</b>	-33.70	<b>1.54</b>	-20.78
EO Items	-	-	-	-	-
<b>PBT</b>	<b>1.22</b>	<b>1.84</b>	-33.70	<b>1.54</b>	-20.78
Tax	0.26	0.31	-16.13	0.44	-40.91
<i>Tax Rate (%)</i>	21.3	16.8	450 bps	28.6	-730 bps
<b>PAT</b>	<b>0.96</b>	<b>1.53</b>	-37.25	<b>1.10</b>	-12.73
<i>Margin (%)</i>	2.5%	3.8%	-130 bps	2.8%	-30 bps
<b>Net Profit</b>	<b>0.96</b>	<b>1.53</b>	-37.25	<b>1.10</b>	-12.73
Adj. EPS	0.06	0.14	-56.74	0.07	-12.86

### Income Statement, standalone (Rs. Cr)

Y/E March (INR Crore)	FY18	FY19	FY20	FY21	FY22
<b>Revenue</b>	<b>56.00</b>	<b>120.24</b>	<b>50.80</b>	<b>86.30</b>	<b>147.19</b>
<i>Change (%)</i>	-41	114.7	-57.8	69.9	70.6
<b>Expenditure</b>	<b>55.48</b>	<b>119.65</b>	<b>49.29</b>	<b>83.25</b>	<b>137.55</b>
<i>% of Sales</i>	99.1	99.5	97.0	96.5	93.5
<b>EBITDA</b>	<b>0.52</b>	<b>0.59</b>	<b>1.51</b>	<b>3.05</b>	<b>9.64</b>
<i>Margin (%)</i>	0.9	0.5	3.0	3.5	6.5
<i>Growth (%)</i>	-	13.5	155.9	102.0	216.1
Depreciation	-	-	0.18	0.70	1.19
<b>EBIT</b>	<b>0.52</b>	<b>0.59</b>	<b>1.33</b>	<b>2.35</b>	<b>8.45</b>
Int. and Finance Charges	-	0.23	0.02	0.21	0.57
Other Income	-	0.37	0.02	-	0.03
<b>PBT bef. EO Exp.</b>	<b>0.52</b>	<b>0.73</b>	<b>1.33</b>	<b>2.14</b>	<b>7.91</b>
EO Items	-	-	-	-	-
<b>PBT</b>	<b>0.5</b>	<b>0.7</b>	<b>1.3</b>	<b>2.1</b>	<b>7.9</b>
Tax	0	0.05	0.25	0.34	1.50
<i>Tax Rate (%)</i>	0.0	6.8	18.8	15.9	19.0
<b>PAT</b>	<b>0.52</b>	<b>0.68</b>	<b>1.08</b>	<b>1.80</b>	<b>6.41</b>
<i>Margin (%)</i>	0.9%	0.6%	2.1%	2.1%	4.4%
<i>Growth (%)</i>	-	30.8	58.8	66.7	256.1
<b>Net Profit</b>	<b>0.52</b>	<b>0.68</b>	<b>1.08</b>	<b>1.80</b>	<b>6.41</b>
Adj. EPS	0.35	0.07	0.11	0.16	0.41

**Balance Sheet, standalone (Rs. Cr)**

Y/E March	FY18	FY19	FY20	FY21	FY22
<b>Shareholders' fund</b>	<b>2.03</b>	<b>11.22</b>	<b>12.32</b>	<b>15.09</b>	<b>27.14</b>
Share Capital	1.48	10.00	10.00	10.97	15.80
Reserves & Surplus	0.55	1.22	2.32	4.12	11.34
Minority Interest					
<b>Total Debt</b>	<b>6.42</b>	<b>2.88</b>	<b>0.58</b>	<b>3.81</b>	<b>8.50</b>
Other liabilities	0.00	0.00	0.02	0.00	0.00
<b>Curr Liab &amp; prov</b>	<b>17.71</b>	<b>0.55</b>	<b>2.43</b>	<b>10.51</b>	<b>6.06</b>
Current liabilities	17.71	0.55	2.30	10.42	4.84
Provisions	0.00	0.00	0.13	0.09	1.22
<b>Total Liabilities</b>	<b>24.13</b>	<b>3.43</b>	<b>3.03</b>	<b>14.32</b>	<b>14.56</b>
<b>Total Equity &amp; Liabilities</b>	<b>26.16</b>	<b>14.65</b>	<b>15.35</b>	<b>29.41</b>	<b>41.70</b>
<b>Non-Curr. Assets</b>	<b>0.01</b>	<b>0.01</b>	<b>1.15</b>	<b>2.74</b>	<b>4.13</b>
Net Fixed Assets	0.00	0.01	1.15	2.72	4.06
Intangible assets	0.00	0.00	0.00	0.01	0.00
Goodwill	0	0	0	0	0
CWIP	0.00	0.00	0.00	0.00	0.00
Investments	0.00	0.00	0.00	0.00	0.00
Other Non-curr assets	0.01	0.00	0.00	0.01	0.07
Long-term loans & Avanc.	0.00	0.00	0.00	0.00	0.00
<b>Current Assets</b>	<b>26.16</b>	<b>14.63</b>	<b>14.06</b>	<b>28.09</b>	<b>36.35</b>
Inventories	1.52	1.27	0.97	3.83	7.45
Trade receivables	22.47	10.67	9.83	21.37	28.03
Cash/Bank Balance	0.7	0.28	0.08	0.43	0.24
Current investments	0	0	0	0	0
Other current assets	0.01	0.09	0	0.05	0.05
Loans & Advances	1.46	2.32	3.18	2.41	0.58
<b>Total Assets</b>	<b>26.17</b>	<b>14.64</b>	<b>15.21</b>	<b>30.83</b>	<b>40.48</b>

**Cash Flow Statement, standalone (Rs. Cr)**

Y/E: March	FY18	FY19	FY20	FY21	FY22
<b>Profit Before Tax</b>	<b>0.52</b>	<b>0.72</b>	<b>1.34</b>	<b>2.15</b>	<b>7.91</b>
Net CashFlow From Operating Activities	-5.55	-5.38	3.41	-3.09	-6.49
Net Cash Used In Investing Activities	0	-0.01	-1.32	-2.28	-2.53
Net Cash Used From Financing Activities	6.11	4.97	-2.3	5.71	8.83
Foreign Exchange Gains / Losses	0	0	0	0	0
Other Adjustments	0	0	0	0	0
<b>NET INC./DEC. IN CASH</b>	<b>0.56</b>	<b>-0.42</b>	<b>-0.21</b>	<b>0.35</b>	<b>-0.19</b>
Opening Cash Balance	0.14	0.7	0.28	0.08	0.43
Ending Cash Balance	0.7	0.28	0.08	0.43	0.24

## Key Ratios

Y/E March	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Per Share Data (Rs)</b>					
EPS	0.35	0.07	0.11	0.16	0.41
BV/Share	13.72	11.22	12.32	13.75	17.18
DPS	-	-	0	0	0
Dividend Payout (%)	-	-	-	0.00%	0.00%
<b>Valuation Ratios</b>					
P/E	-	57.93	52.83	59.54	98.83
P/BV	-	3.44	4.71	7.13	23.32
EV/EBITDA	10.93	43.32	38.09	36.28	66.17
<b>Return Ratios (%)</b>					
RoE	29.20%	10.05%	9.33%	13.18%	30.33%
RoCE	10.18%	8.42%	10.09%	14.15%	30.32%
RoA	3.42%	3.27%	7.35%	7.85%	17.99%
<b>Leverage Ratio (x)</b>					
Current Ratio	1.48	26.4	6.12	2.7	3.88
Quick Ratio	1.39	24.1	5.69	2.33	3.09
Interest Cover Ratio	128.67	4.1	73.49	11.39	14.35
Net Debt/Equity	3.15	0.26	0.05	0.25	0.31

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