

# NEWSLETTER

CONSTRUCTION INFRASTRUCTURE UPDATES

TUESDAY, SEPTEMBER 09, 2025

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5 infra stocks trading at 50% discount you should keep an eye on  
The Financial Express,  
September 9, 2025

*Five undervalued infra stocks that could rebound if orders pick up.*



Thus, road construction is expected to come down to 27 kilometers per day in FY26, down from a high of 37 kilometers per day in FY21. (AI Generated Image)

The Indian infrastructure sector has been under pressure, with valuations compressing across segments.

This slowdown is mainly driven by subdued awarding of projects, which has impacted companies' order books.

Thus, road construction is expected to come down to 27 kilometers per day in FY26, down from a high of 37 kilometers per day in FY21.

This slowdown has also impacted the share prices of infrastructure companies.

However, the government's focus on infrastructure remains strong, with a robust bidding pipeline.

## **#1 HG Infra Engineering**

First on this list is HG Infra Engineering.

HG Infra operates in the infrastructure construction activities across roads and railways.

The company is gradually diversifying into solar power, battery energy storage systems (BESS), and the transmission & distribution sector.

HG is present across 13 states, including Maharashtra, Jharkhand, Uttar Pradesh, Andhra Pradesh, Gujarat, and Rajasthan.

The company's share price is down 39% from its 52-week high of Rs 1,643.

*HG Infra Share Price – 1 Year*



Source: Equitymaster

This downtrend is driven by subdued order inflow and financial results.

Revenue and PAT both declined 6% to Rs 50.6 billion (bn) and Rs 5 bn in FY25. The financials were impacted due to the elimination of inter-company transactions in the solar segment.

Furthermore, in Q1 FY26, revenue also fell 3% to Rs 14.8 bn, due to subdued execution. PAT declined 39% to Rs 992.6 million (m) due to lower margins caused by one-time cost effects.

As of 30 June 2025, HG's order book stood at Rs 146.6 bn. This provides revenue visibility of about 3 years. Road contributes 65.6% to the order book, followed by railways (20%), BESS (11%), and the rest comes from solar.

Looking ahead, the company estimates revenue to grow 17-18% in FY26, in line with its historical growth.

The National Highway Authority of India plans to award 6,376 km of road projects in FY26, worth Rs 3.4 trillion. Accordingly, HG is targeting an order inflow of Rs 110 bn in FY26.

It has already submitted bids for orders worth Rs 160 bn, for which it is awaiting final approval.

HG aims to have 40% of its orders from the non-road sector in the next 2-3 years. Additionally, the company aims to achieve a 5% share of India's total BESS market.

The company also plans to venture into airports, urban infrastructure, and the water and irrigation sector, to reduce its concentration on the road sector.

## **#2 KNR Construction**

Second on this list is KNR Construction.

KNR is a leading company that provides engineering, procurement, and construction (EPC) services. It has an established presence in roads, irrigation, mining, and urban water infrastructure management.

The company operates across India, with major projects concentrated in the South, including Tamil Nadu, Andhra Pradesh, Telangana, Kerala, and Karnataka.

From a financial perspective, in FY25, revenue rose 7% to Rs 47.5 bn, while PAT surged 33% to Rs 10 bn due to higher other income.

However, sluggish execution due to a low order book is impacting growth. In Q1 FY26, revenue fell 37.7% to Rs 6.1 bn, while PAT declined 26% to Rs 1.2 bn.

As a result, its share price is down almost 45% from its 52-week high of Rs 360.

#### *KNR Share Price – 1 Year*



Source: Equitymaster

This was primarily because most existing projects are nearing completion. The company's order book stood at Rs 83 bn as of 30 June 2025.

Mining accounts for 43% of the book, followed by roads (27%), irrigation (17%), and pipeline (13%). The order book provides revenue visibility of just about 2 years.

Looking ahead, KNR expects to secure orders worth Rs 130-150 bn in FY26. However, it has guided for a softer FY26 due to delays in order receipts.

The company intends to bid for contracts worth Rs 800-900 bn by the end of March 2026.

KNR is also exploring opportunities with toll developers and expressway projects, while evaluating entry into new segments, including metro, solar, toll, and railways.

### **#3 KEC International**

Third on this list is KEC International.

KEC, a part of the RPG Group, is a major EPC player in infrastructure segments including transmission and distribution (T&D), civil, transportation, oil and gas, renewables, and cables.

The company provides services in diverse sectors, including water, airports, hospitals, data centers, solar energy, and logistics.

On the financial front, revenue grew 9.7% to Rs 218.5 bn in FY25, while PAT grew 64.5% to Rs 5.7 bn. This momentum continued in this financial year as well.

In Q1 FY26, revenue rose 11% to Rs 50.2 bn, driven by robust execution in the T&D business. PAT grew 42% to Rs 1.2 bn, driven by margin expansion.

T&D now contributes 63% to total revenue, compared to 55% in the same quarter last year.

#### *KEC International Share Price – 1 Year*



Source: Equitymaster

Looking ahead, KEC's order book stood at Rs 400 bn, providing revenue visibility of about 2 years. The management estimates revenue growth of about 15% in FY26.

The company holds an L1 position of Rs 60 bn in the T&D business. Moreover, tenders worth Rs 1,800 bn are under evaluation.

The company is also expanding its tower manufacturing capacity to 10,000-12,000 tonnes.

In the cable segment, KEC is doubling the capacity of the aluminum conductor plant, with commercial production expected by the end of FY26.

In the renewable energy, the company continues to bid for select opportunities in solar, wind, and BESS. KEC aims for this business to reach Rs 30-40 bn in the next 2-3 years.

#### **#4 NCC**

Fourth on this list is NCC.

NCC is a key player in India's infrastructure development. The company operates across sectors, including buildings, water pipelines, irrigation, transmission, power generation, and transportation.

Revenue rose 6.6% to Rs 223.5 bn in FY25, while PAT grew 8.4% to Rs 19.2 bn. However, in the first quarter of FY26, revenue has declined 6.3% to Rs 52.1 bn, and PAT rose 3.7% to Rs 1.9 bn.

The reason for the slowdown is the large orders received at the end of March 2025. Revenue from new works is expected to start from September. This will improve growth rates.

#### *NCC Share Price – 1 Year*



Source: Equitymaster

Looking ahead, NCC's order book stood at Rs 700 bn, providing revenue visibility of over three years.

Building construction accounted for 34% of the order book, followed by transport (26%), water and railways (6%), power (22%), mining (7%), and irrigation (5%).

The company has a healthy project pipeline of around Rs 2,500 bn with order inflows of Rs 220-250 bn expected in FY26.

### **#5 Bondada Engineering**

Fifth on this list is Bondada Engineering.

Bondada provides EPC and design services to the telecom, railway, BESS, and renewable energy sectors. In the telecom space, it also provides operations and maintenance services.

It serves a strong clientele, including Airtel, Tata, Ericsson, Reliance Jio, and Coal India.

Revenue almost doubled from last year to Rs 15.7 bn in FY25. In the revenue mix, about 58% came from solar energy, followed by telecom (28%), and products (14%).

PAT increased 150% to Rs 1.1 bn. Bondada reports financial results on a semi-annual basis and has yet to release its FY26 numbers.

Looking ahead, Bondada's order book stands at Rs 50.4 bn, providing revenue visibility of about 3 years.

Renewable energy accounts for about 72% of the order book, followed by telecom (22%), railways (4%), and others (2%).

Bondada Engineering Share Price – 1 Year



Source: Equitymaster

Bondada has submitted tenders for projects worth Rs 16.7 bn. Tenders worth Rs 46.7 bn have been identified for participation.

The management has set an ambitious target of growing revenue sixfold to Rs 100 bn by FY30, from Rs 15.7 bn in FY25. This growth is expected to be driven by the renewable energy segment.

## Conclusion

The infrastructure sector is navigating short-term challenges from weak order inflows and execution delays. Near-term performance will depend on the pace of new project awards.

The stocks mentioned here have decent fundamentals and growth prospects as long as there is a pickup in order inflows.

Instead of relying only on hype, it's necessary for investors to carefully analyse the company's fundamentals, including financial performance, corporate governance practices, and growth prospects.

*Happy investing.*

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## Uttarakhand: India's Longest Rail Tunnel In Rishikesh-Karnaprayag Route Completed, Travel Time To Reduce By Five Hours

Swarajya,  
September 9, 2025

India's longest rail tunnel, a 14.57 km stretch between Devprayag and Janasu in Uttarakhand has been completed ahead of schedule, thanks to two tunnel boring machine (TBM) operators who worked day and night to cut through unforgiving Himalayan terrain, reported PTI.

"It was a roller coaster ride in the real sense," recalled Baljinder Singh, 44, a veteran TBM operator with Larsen & Toubro (L&T). One of the most critical moments came when a sudden landslide blocked the path 3.5 km inside the mountain.

"We normally operate the TBM at 50,000 to 60,000 kilo Newtons of force, but during that time... I had to apply the machine's full power — 1.3 lakh kilo Newtons — to clear the debris," he said.

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His colleague, 52 year-old Ram Avtar Singh Rana, described a gruelling 10 day battle to keep the German-made TBM Shakti running non-stop.

“It took nearly 10 days of non-stop struggle, working round-the-clock in 12-hour shifts... It was a huge relief and a joyous moment for the entire team when we finally cleared the blockage,” he said.

The pair’s perseverance saw the upline tunnel completed on 16 April, 2025, 12 days early.

Meanwhile, a parallel 13.09 km downline tunnel, driven by Chandrbhan Bhagat and Sandeep Mishra using another TBM named Shiv, achieved breakthrough on 29 June, 2025.

Together, the teams set a world record by advancing 790 metres in a single month.

Officials highlighted that this was the first time TBMs were deployed for a railway project in the Himalayas.

The tunnel forms part of the 125 km Rishikesh–Karnaprayag Rail Link Project, being executed by Rail Vikas Nigam Limited, with operations targeted by December 2026.

Traversing difficult Himalayan terrain, the rail line will run through the districts of Dehradun, Tehri Garhwal, Pauri Garhwal, Rudraprayag, and Chamoli, linking the hilly interiors of the state with the plains.

Once completed, it will offer seamless rail access to major religious and tourist destinations in Uttarakhand from Rishikesh and further to Delhi.

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Visakhapatnam, Vijayawada Metro Phase-1 Tenders Extended To October;  
APMRCL Urged To Divide Projects Into Multiple Packages  
Swarajya,  
September 9, 2025



(Pic Via X)



The Andhra Pradesh Metro Rail Corporation Limited (APMRCL) has pushed back the submission deadlines for tenders relating to the first phase of the Visakhapatnam and Vijayawada metro projects.

Managing Director NP Rama Krishna Reddy announced on Sunday (7 September) that the last date for Vijayawada metro tenders has been extended to 14 October, while the deadline for Visakhapatnam metro tenders is now 7 October.

The changes, he explained, followed appeals from contractors during pre-bid consultations.

"As per the revised date, tenders for the Vijayawada metro rail project can be submitted by October 14, while the last date for the Visakhapatnam metro rail project is October 7," Reddy confirmed in a statement.

The corporation had initially intended to package both projects together, awarding the complete works to a single contractor. However, bidders urged APMRCL to consider dividing the projects into several packages to enable broader participation.

"The APMRCL wanted to take up the construction of phase-1 of the Visakhapatnam and Vijayawada metro projects in a single package, under which a single contractor would be awarded the total works to complete the project. However, the contractors during the pre-bid meeting requested the metro rail corporation to divide the phase-1 metro projects into multiple packages and ensure that more firms are given chances," Reddy told Times of India.

He added that the request would be taken up for discussion in the forthcoming board meeting before a final decision is made.

Under Phase-1, APMRCL has invited bids for the development of 46.23 km of metro track in Visakhapatnam and 38 km in Vijayawada.

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## Nicobar Project: Sonia Gandhi's Environmental Absolutism Betrays India's Economic And Strategic Needs

PTI,  
September 9, 2025

Sonia Gandhi's column asks the Indian state to freeze and refuse the compromises that power and geography demand.

Nations do not get the luxury of perfect options. They must choose a mix of growth and conservation.

Sonia Gandhi's column on the Great Nicobar project reads like a moral absolution. Development equals sin. Conservation equals the sacred. Anyone who suggests a middle ground is cast as a villain. That framing is not only lazy, it is dangerous. Nations do not get the luxury of perfect options. They must balance. They must choose mixes of growth and protection that secure livelihoods, sovereignty, and ecosystems together.

The real test of seriousness about tribes and forests is not to oppose every project. It is to ask this question. After development, will there remain enough forest and habitat, and will tribal communities retain the land, resources, and institutions they need to survive and thrive? On the evidence in this case, the answer is yes.

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