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HGS (INDIA) LIMITED

Manufacturing | SME

Rs. 114 - 120

30 Oct 2026 - 3 Nov 2026

Issue size	Where the money goes	Earnings per share
Rs. 34.6 cr	**81% fresh**	**Rs. 13.64**
	Rs. 27.9 cr to the company, Rs. 6.6 cr to selling holders - computed from the share count at the band cap - p.1	issuer disclosed

WHAT STANDS OUT IN THE OFFER DOCUMENT

IN ITS FAVOUR Its profit has been turning into cash.
Across 3 years: Rs.26.1 cr of profit, Rs.29.8 cr of cash from operations.

THE FIVE QUESTIONS

1. How it makes money
Rs.66 of every Rs.100 of sales comes from its "Geophone Strings/Harness" segment. Rs.84 of every Rs.100 comes from Export.

2. Is it growing, and is profit turning into cash?
Sales rose 27% from FY2024 to FY2026 (Rs.35.5 cr to Rs.45.2 cr). Over 3 years it made Rs.26.1 cr of profit and brought in Rs.29.8 cr of cash from operations.

3. How much cushion does it have?
It owes Rs.0.00 for every Rs.1 of its own money. The line for manufacturing is Rs.2.

4. What you pay, and who gets the money
Of every Rs.100 raised, Rs.19 goes to existing shareholders selling. At Rs.120 you pay about Rs.8.80 for every Rs.1 of last year's profit.

5. Who controls it, and what is on record?
Promoters own 87% now and 64% after the IPO.

WHAT THE COMPANY DOES

HGS (India) Limited is engaged in the business of manufacturing geophones, geophone strings, seismic cables, geophysical connectors, and parts and accessories for geophysical equipment for the seismic industry within the energy and geoscience sectors.

WHERE THE MONEY GOES

Fresh issue goes to the company. Offer for sale goes to shareholders selling out.



Fresh issue Rs. 27.9 cr 81% | Offer for sale Rs. 6.6 cr 19%

How the fresh proceeds are to be spent, as stated in Objects of the Offer.



Funding the capital expenditure t... 78% | Funding the capital expenditure t... 5% | Funding the capital expenditure t... 17%

PROMOTER HOLDING

87.3% before > **64.3%** after

Dilution of 23.0 points. Promoters keep majority control. p.53

FINANCIALS, RS. CRORE

	FY2024	FY2025	FY2026	2Y CAGR
Revenue	35	49	45	**+12.8%**
EBITDA	6	15	17	—
Profit after tax	4	11	12	**+70.6%**
Net worth	95	85	89	—
Total debt	0	0	0	—

READING THESE NUMBERS AS MANUFACTURING

What actually diagnoses this business: Capacity utilisation - Order book - Working capital days - Customer concentration.

DOES THE PROFIT TURN INTO CASH

	FY2024	FY2025	FY2026
Operating cash flow	10	14	6

Capital expenditure	2	1	1
Financing	-3	-20	-8

Operating cash flow is 53% of profit after tax. The rest is sitting in receivables or inventory.

WHEN LOCKED SHARES CAN BE SOLD

Each date releases shares that could not previously be traded.

+1 months
Anchor, first half
50.0%

+3 months
Anchor, remainder
50.0%

+36 months
Promoter
21.6%

THE DOCUMENT'S OWN CASE, FOR AND AGAINST

STRENGTHS IT CLAIMS

1. Wide product portfolio catering to various end user industries (p.112)
2. Precision engineering expertise with complex product manufacturing capabilities (p.112)
3. Long term and well-established relationships with customers (p.112)
4. Focus on Quality Assurance (p.112)
5. Established supply chain and sourcing network (p.112)

RISKS IT DISCLOSES

1. The company is dependent on key customers without long-term contracts, and the loss of any key customer could adversely affect business. (p.22)
2. Derives a significant portion of revenue from export sales, exposing it to international trade risks, currency fluctuations, and geopolitical unrest. (p.23)
3. Significant revenue dependency on key product lines, namely Geophone Strings/Harness and Seismic Cables. (p.24)
4. Dependence on a limited number of raw material and component

Both columns are the offer document's own words, not this page's assessment.

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