

PICK OF THE WEEK

22nd November, 2025

RITES Limited

Sector: Infrastructure

BUY

CMP

247

Target Price

271

Upside

10%

CMP as on 21st November 2025 | Time horizon: 6-9 Months

Why RITES Ltd

- Strong Orderbook
- Export Vertical to Support Revenue Growth
- Turnkey Projects to Contribute to Sales Growth from Q4FY26

About the Company

RITES Ltd, a Navratna and Schedule 'A' Central Public Sector Enterprise under the Ministry of Railways, incorporated on 26th April 1974, is a multidisciplinary engineering and consultancy organisation, providing a comprehensive range of services from concept to commissioning in all facets of transport infrastructure and related technologies.

Investment Rational

A. Strong Order Book

- In Q2FY26, the company secured over 150 new orders worth Rs 851 Cr, taking the total order book to Rs 9,090 Cr and ensuring strong revenue visibility for the next 2–2.5 years.
- Notably, 34% of the order book comprises the high-margin consultancy segment, underscoring its profitability profile. Backed by a robust pipeline and increasing opportunities across the infrastructure space, the company remains well-positioned to deliver sustainable long-term growth.

B. Export Vertical to Support Revenue Growth

- The company has secured export orders worth Rs 1,541 Cr, with revenue contribution from exports improving since Q2FY26.
- Given this momentum, the company's revenue is expected to register a CAGR of 23% over FY25–FY27E.

C. Turnkey Projects to Contribute to Sales Growth from Q4FY26

- Turnkey projects account for 46% of the company's order book and are expected to be a key driver of revenue growth.
- Although turnkey sales have currently seen a decline as most projects are in the initial stages, execution progress and transition to advanced stages are likely to accelerate revenue momentum going forward.

Outlook & Valuation

- The company maintains a robust order book along with a clean balance sheet, strong return ratios, and a healthy dividend payout. With favourable opportunities across segments, particularly in high-margin consultancy projects, it is expected to deliver Revenue/EBITDA/PAT growth of 23%/24%/21% CAGR over FY25-27E.
- The stock is currently trading at 21x FY27E EPS

Analyst Insights

BUY with a target price of Rs 271/share, implying an upside of ~10% from the CMP.

Research Analysts

Uttam K Srimal
Sr. Research Analyst

uttamkumar.srimalissecurities.in

Shikha Doshi

Research Associate

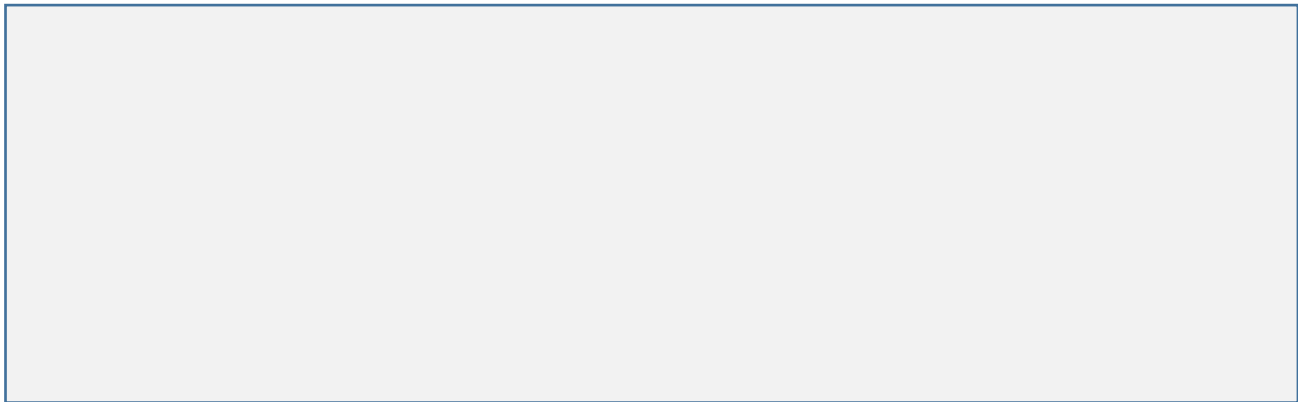
shikha.doshi@axissecurities.in

Financial Summary

	FY25	FY26E	FY27E
Net Sales (Rs Cr)	2,218	2,727	3,367
EBITDA (Rs Cr)	515	641	795
Net Profit (Rs Cr)	382	486	564
EPS (Rs)	8	10	12
PER (x)	31	27	21
EV/EBITDA (x)	23	19	15
P/BV (x)	4.5	4.3	4.0
RoE (%)	14	17	19

Market Data

No. of Shares	48 Cr
Market Cap (Rs Cr)	11,883
52-week High	316
52-week Low	192
PER(x)	21
BSE Code	541556
NSE Code	BITES



Axis Direct is a brand under which Axis Securities Limited offers its retail broking and investment services. Investments in the securities market are subject to market risks. Read all the related documents carefully before investing. This information is only for consumption by the client and such material should not be redistributed. [Disclaimer](#)