PL Capital
PRABHUDAS LILLADHER

RITES (RITE IN)

Q2FY27 Result Update

November 05, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	BUY		BUY	
Target Price	265		267	
Sales (INR mn)	32,368	37,221	32,305	38,071
% Chng.	*0.2*	*(2.2)*		
EBITDA (INR mn)	7,007	8,220	6,997	8,352
% Chng.	*0.1*	*(1.6)*		
EPS (INR)	10.6	12.4	10.7	12.8
% Chng.	*(0.9)*	*(3.1)*		

Key Data	RITS.BO | RITE IN
BSE Code	541556
NSE Code	RITES
52-W High / Low	INR 259 / INR 175
Face Value	10
Sensex / Nifty	77,301 / 23,961
Market Cap	INR 95 bn / $ 1,002 mn
Shares Outstanding	480.6 mn
3M Avg. Daily Value	INR 437.88 mn

Shareholding Pattern (%)

Promoters	72.20
FIIs	3.43
Mutual Funds	2.32
Domestic Institutions	6.43
Public & Others	15.62
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(5.8)	(8.7)	(10.3)	(20.4)
Relative	(12.3)	(7.3)	(10.4)	(14.1)

Key Financials - Consolidated

Y/e Mar	FY26	FY27E	FY28E	FY29E
Sales (INR mn)	24,151	26,720	32,368	37,221
EBITDA (INR mn)	5,541	5,948	7,007	8,220
Margin (%)	*22.9*	*22.3*	*21.6*	*22.1*
PAT (INR mn)	4,156	4,375	5,102	5,955
EV (INR mn)	66,537	68,877	69,355	70,629
Total Debt (INR mn)	-	-	-	-
C&C Eq. (INR mn)	29,462	27,510	27,421	26,535
EPS (INR)	8.6	9.1	10.6	12.4
Gr. (%)	*8.0*	*5.3*	*16.6*	*16.7*
DPS (INR)	8.0	8.4	9.8	11.4
Yield (%)	*4.0*	*4.2*	*4.9*	*5.8*
RoE (%)	*15.6*	*16.2*	*18.6*	*21.4*
RoCE (%)	*18.3*	*19.4*	*22.9*	*26.7*
EV/Sales (x)	2.8	2.6	2.1	1.9
EV/EBITDA (x)	12.0	11.6	9.9	8.6
PE (x)	22.8	21.7	18.6	15.9
P/BV (x)	3.5	3.5	3.4	3.4

Exports slippage weighs on Q2

Quick Pointers

- First Bangladesh rake slipped to Q3; double-digit FY27 revenue growth guidance retained.
- Order book steady at INR 93.9bn (~3.8x TTM revenue); INR 100bn target on track.

RITES reported a weak Q2FY27, with revenue up just 1.5% YoY and ~8% below our estimate, as dispatch of the first Bangladesh rake slipped by ~10-12 days into Q3, leaving export revenue at nil (vs INR 604mn in Q2FY26). EBITDA margin moderated to 21.9% (23.6% YoY) on a higher share of low-margin turnkey work (turnkey revenue up 66% YoY), and PAT fell 11.0% YoY to INR 971mn, 14% below our estimate. Company highlighted export shipment is expected in Q3FY27 and FY27E revenue growth is retained. Provisioning for the pay revision effective January 2027 will start in Q4FY27. The order book was broadly flat QoQ at INR 93.9bn (~3.8x TTM revenue), as ~INR 5bn of inflows offset execution, and RITES was declared L1 in a US$41mn (~INR 4bn) Sri Lanka order for five seven-coach train sets. Post the result we have marginally trimmed EPS estimate by 3%/1% for FY27E/28E but retain BUY with TP of INR265 (25x 1HFY29 EPS). RITES' asset-light business model, negative working capital cycle and expected ~19% RoE by FY28E remain key positives. The stock also offers an div. yield of ~4-5%.

Export slippage drives the miss: RITES reported revenue of INR 5.6bn, up 1.5% YoY and ~8% below our estimate. Turnkey grew 65.9% YoY to INR 1.9bn and leasing grew 14.5% YoY, but consultancy declined 4.3% YoY and export sales were nil (INR 5mn vs INR 604mn in Q2FY26), as the first Bangladesh rake was dispatched only in early Q3. EBITDA stood at INR 1.2bn, down 5.8% YoY and 8%/5% below PL/street, with margins at 21.9% (vs 23.6% YoY and 21.5% in Q1FY27). Supplies and services cost rose to 47% of revenue (vs 34% YoY) on the higher turnkey share, partly offset by lower other expenses and export purchases; employee cost was up only 2.2% YoY. PAT came in at INR 971mn, down 11.0% YoY and 14%/10% below PL/street, also hit by lower other income (down 14.3% YoY) and a lower JV share (INR 10mn vs INR 43mn). PAT attributable to shareholders was INR 862mn, down 12.3% YoY. The company declared a second interim dividend of INR 1.90 per share (payout ratio: 96.9%, yield: ~4%).

Quarter Summary

Y/e Mar	Q2'27E	Q2'27A	% Var.	Q2'26A	YoY gr. (%)
Net Sales (INR mn)	6,036	5,568	*(7.8)*	5,487	*1.5*
EBITDA (INR mn)	1,328	1,221	*(8.1)*	1,296	*(5.8)*
Margin (%)	*22.0*	*21.9*	*(10) bps*	*23.6*	*(170) bps*
PAT (INR mn)	1,126	971	*(13.8)*	1,091	*(11.0)*

Source: Company, PL

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Order book steady: They have an order book of INR 93.9bn as of Q2FY27 (down 0.6% QoQ, up 3.3% YoY), led by Turnkey (INR 45.1bn, 48%), Consultancy (INR 27.1bn, 29%) and Exports (INR 18.2bn, 19%), with Leasing (INR 2.4bn) and REMC (INR 1.2bn) making up the balance. By mode, the book is 63% competitive and 37% nomination, while fresh inflows are now 70%+ competitive. Implied Q2FY27 inflows were ~INR 5.0bn, led by Consultancy (INR 4.2bn), followed by Leasing (INR 0.5bn) and Exports (INR 0.4bn); turnkey saw no net additions, and its book eased to INR 45.1bn from INR 47.2bn as execution picked up. Disclosed wins in the quarter included Patna Metro consultancy (INR 0.8bn) and the Bidar-Kalaburagi electrification PMC (INR 0.6bn), while the US$35mn South Africa locomotive order (INR 3.3bn) appears to be still outside the reported book, as the export book rose by only INR 0.4bn. The turnkey book is fully cost-plus, mainly educational institutions and hospitals, and is 12-24 months old, so execution should pick up further in H2. Management continues to win about one order a day and remains on track for its INR 100bn target; the Sri Lanka L1 and the South Africa order together would take the book close to it.

Exports to drive H2 growth: Export revenue was nil in Q2 because revenue is booked only on dispatch of a full rake, and the first Bangladesh rake (18 coaches) slipped by ~10-12 days into Q3 after final third-party checks. Of the 200-coach order, nine rakes (182 coaches) remain; at least two are expected in Q4FY27 and the balance seven in FY28, with pace improving from the third rake as design and acceptance stabilise. Delivery of the five Mozambique locomotives (~INR 1.5bn) is set to start with the first loco in Q4FY27, with the order completing by H1FY28 at the latest. By our estimate, three Bangladesh rakes and the first Mozambique loco imply FY27 export revenue of ~INR 3bn, in line with the earlier minimum guidance. RITES has also been declared L1 for a US$41mn Sri Lanka order (five seven-coach train sets, 12-month delivery from LC opening), and about 20 developmental locomotive conversions for African markets will ship over time, starting with two ready units in the coming months.

Guidance: Management retained its guidance of double-digit consolidated revenue growth in FY27, despite H1 growth of ~5%, as export deliveries and turnkey execution step up in H2. Pay revision provisioning (8th CPC for CDA scale / 3rd PRC for IDA scale, effective 1 January 2027) will start in Q4FY27 and continue every quarter; the amount is still being worked out but was called substantial. Even so, management aims to surpass FY26 PAT and stated margin red lines of 18-20% EBITDA and 15-16% PAT on a consolidated basis, while ruling out a return to 25%+ EBITDA margins given the shift to competitive bidding. Consultancy growth, in single digits over the last 2-3 years, is expected to touch double digits in the near future, with Quality Assurance already up ~15% YoY.

Conference Call Highlights

Overall performance: Management described Q2 as muted, mainly because two to three revenue milestones slipped by 10-15 days into Q3, which hit both revenue and profit for Q2 and H1. It said the H2 execution plan keeps the FY27 guidance given at the start of the year, and reiterated after Q1, on track.

Exports - Bangladesh: The first rake needed extensive final checks and third-party inspection, so dispatch slipped by 10-12 days into Q3; it will enter service in Bangladesh shortly. Nine rakes (182 coaches) remain after the first 18 coaches. The second rake will near completion in Q3, but deliveries of the next rakes will happen from Q4, with at least two in Q4; the balance seven rakes will be delivered in FY28, as the contract requires completion next year. Management expects the pace to rise quickly from the third rake onwards.

Exports - Mozambique and Africa: The Mozambique order covers five locomotives worth ~INR 1.5bn. The first locomotive is targeted to be ready in Q4FY27, and the full order should be completed by H1FY28 at the latest, well ahead of the contractual timeline. Separately, about 20 locomotives across African countries are developmental orders for diesel locos converted to Cape gauge; two are ready and will be shipped in the coming months, and these are expected to become a steady flow of deliveries and new orders once the prototypes stabilise next year.

Sri Lanka order: RITES was declared L1 earlier this week for a ~US$41mn (~INR 4bn) order for five train sets of seven coaches each, and expects a formal LOA soon. Delivery is due within 12 months of the LC opening, and preparatory planning has already started.

FY27 revenue guidance: Management remains confident of double-digit growth in consolidated operating revenue for FY27, despite ~5% growth in H1. Export revenue is lumpy as it is booked only when a full set is delivered, and the turnkey book (about INR 45bn, 12-24 months old) will pick up pace in H2. Both exports and turnkey are expected to grow substantially in H2 versus H1.

Margins: Q2 and H1 consolidated margins were ~22% EBITDA and ~17% PAT. Management stated red lines of 18-20% EBITDA and 15-16% PAT margin, which it said will not be breached on a quarterly, half-yearly or annual basis, though the quarterly blend can vary. Turnkey revenue rose by ~INR 700mn YoY while exports fell by ~INR 600mn, which hurt the Q2 mix; margins should improve in H2 as export deliveries pick up. A return to 25%+ EBITDA margins is not possible, as 60%+ of the order book and 70%+ of fresh inflows are now competitively bid.

Pay revision: The 8th Pay Commission (CDA scale) and 3rd Pay Revision (IDA scale) are effective from 1 January 2027. Provisioning will start in Q4FY27 and continue every quarter until the recommendations are approved. The amount is being estimated using the 2017 revision as a base, adjusted for the much larger headcount, and management called it substantial. Even after this provision, management aims to surpass FY26 PAT.

Turnkey: Management reiterated that RITES is not an EPC or construction company. All of the ~INR 45bn turnkey orders are cost-plus, where RITES' scope is the same as a PMC consultancy job; clients such as educational institutions and hospitals prefer the full project value to flow through RITES' P&L. For example, a fee of INR 5 is booked as INR 105 of revenue, which lowers the reported margin. Turnkey is not a business model RITES is actively pursuing.

Consultancy: Consultancy grew in single digits over the last two to three years as most segments moved from nomination to competitive bidding. With competitive inflows now stable at 70%+, management expects consultancy growth to reach double digits in the near future, though higher double-digit growth may be difficult right away.

Quality Assurance: QA has recovered strongly in revenue and profitability over the last two years after the shift from nomination to competitive bidding. QA's contribution to consultancy revenue grew ~15% YoY in Q2. Work now spans Indian Railways and non-railway clients, from renewable energy items and IT hardware to safety-critical items such as axles and rails, and RITES recently won orders for AI-based rail inspection tools.

Employees: Regular headcount is stable, as ~100 fresh inductions offset a peak in retirements of staff hired in the 1980s-90s. Contract staff has risen with project deployment, as the order book is at a record high and inflows run at over one order a day.

REMCL: REMCL signed an MoU with the International Solar Alliance this week, opening up international consultancy opportunities, and has started submitting EOIs. It has won seven to eight renewable and net-zero consultancy orders in the last six months, with an order book of ~INR 100mn, and these started generating revenue in Q2. Management expects a substantial contribution by the end of this year or next year.

JVs and partnerships: The proposed JV with NICC is not materialising and is on hold. RITES (Afrika) is being closed as there have been no new projects for some time. RITES has only one subsidiary (REMCL) and one JV (SAIL-RITES Bengal Wagon), both doing well; tie-ups such as the one with DMV in Quality Assurance are partnerships or MoUs, not JVs.

Sector demand: Management is not seeing any slowdown in railway tenders. All verticals, including rail infra, continue to receive orders, with fresh wins this quarter and in the past month.

Exhibit 1: Quarterly Estimates

(INR mn)	1QFY27	YoY gr.	2QFY27	YoY gr.	3QFY27E	YoY gr.	4QFY27E	YoY gr.
Sales	5,322	8.7%	5,568	1.5%	6,694	10.0%	9,135	18.9%
EBITDA	1,147	0.4%	1,221	-5.8%	1,506	5.9%	2,074	23.3%
Margin (%)	*21.5%*	*-176bps*	*21.9%*	*-169bps*	*22.5%*	*-86bps*	*22.7%*	*81bps*
Adj. PAT	978	7.6%	971	-11.0%	1,224	6.4%	1,591	14.1%

Source: Company, PL

Exhibit 2: Q2FY27 Result Overview

Particulars (Rs mn)	2QFY27	2QFY26	YoY gr. (%)	2QFY27E	% Var.	1QFY27	QoQ gr. (%)	H1FY27	H1FY26	YoY gr. (%)
Net Sales	**5,568**	**5,487**	*1.5*	**6,036**	*(7.8)*	**5,322**	*4.6*	**10,890**	**10,385**	*4.9*
EBITDA	**1,221**	**1,296**	*(5.8)*	**1,328**	*(8.1)*	**1,147**	*6.5*	**2,368**	**2,438**	*(2.9)*
EBITDA margin (%)	*21.9%*	*23.6%*	*-169bps*	*22.0%*	*-7bps*	*21.5%*	*38bps*	*21.7%*	*23.5%*	*-173bps*
Other income	260	303	*(14.3)*	320	*(18.8)*	285	*(8.8)*	545	523	*4.2*
Depreciation	171	171	*0.4*	179	*(4.4)*	166	*3.3*	337	326	*3.5*
Interest	10	8	*27.6*	7	*31.6*	8	*16.9*	18	22	*(17.4)*
Share of profit/(loss) from JVs	10	43	*(76.2)*	42	*(75.5)*	48	*(78.8)*	58	67	*(12.3)*
Pre-tax profit	**1,310**	**1,464**	*(10.5)*	**1,503**	*(12.8)*	**1,306**	*0.3*	**2,616**	**2,680**	*(2.4)*
Tax (current+deferred)	340	373	*(8.9)*	377	*(10.0)*	328	*3.6*	667	680	*(1.8)*
PAT	**971**	**1,091**	*(11.0)*	**1,126**	*(13.8)*	**978**	*(0.7)*	**1,948**	**2,000**	*(2.6)*

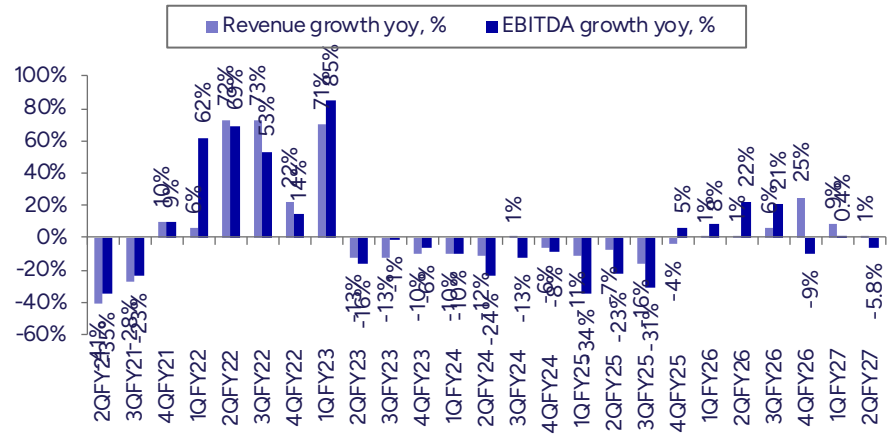
Source: Company, PL

Exhibit 3: Segmental Break-up (INR Mn)

Segmental Revenue	2QFY27	2QFY26	YoY gr. (%)	1QFY27	QoQ gr. (%)	H1FY27	H1FY26	YoY gr. (%)
Consultancy	3,135	3,276	*(4.3)*	3,000	*4.5*	6,135	6,178	*(0.7)*
Exports	5	606	*(99.2)*	10	*(53.4)*	15	640	*(97.6)*
Leasing	491	428	*14.5*	487	*0.7*	978	854	*14.5*
Turnkey Projects	1,874	1,130	*65.9*	1,764	*6.2*	3,638	2,614	*39.2*
Power generation	64	48	*34.1*	60	*5.5*	124	100	*24.3*
Segmental EBIT								
Consultancy	1,194	1,257	*(5.0)*	1,121	*6.5*	2,316	2,373	*(2.4)*
Exports	(19)	63	*(130.7)*	4	*(607.9)*	(16)	55	*(128.2)*
Leasing	194	128	*51.6*	186	*4.4*	379	291	*30.2*
Turnkey Projects	30	13	*143.2*	24	*26.1*	55	35	*54.4*
Power generation	25	8	*206.2*	13	*85.1*	38	23	*69.8*
EBIT Margin %								
Consultancy	38.1%	38.4%	*-28bps*	37.4%	*72bps*	37.7%	38.4%	*-29bps*
Exports	-402.1%	10.4%	*NM*	36.9%	*NM*	-102.6%	8.6%	*-187bps*
Leasing	39.5%	29.8%	*966bps*	38.1%	*142bps*	38.8%	34.1%	*0bps*
Turnkey Projects	1.6%	1.1%	*52bps*	1.4%	*26bps*	1.5%	1.4%	*0bps*
Power generation	38.9%	17.1%	*2188bps*	22.2%	*6112bps*	30.8%	22.5%	*187bps*

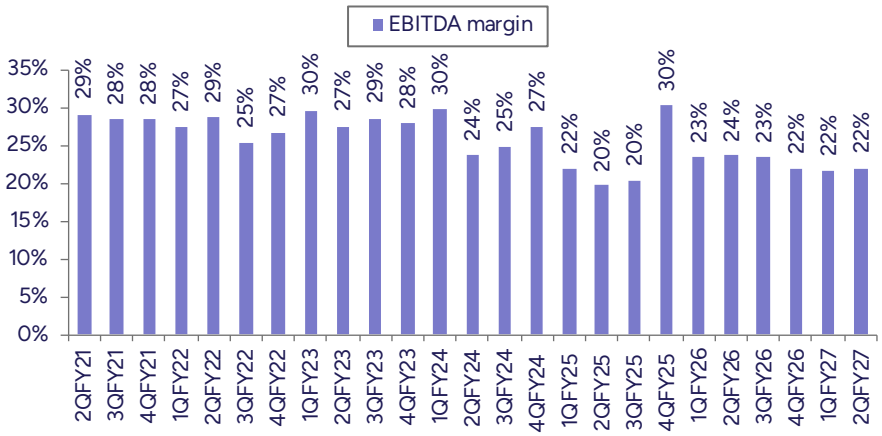
Source: Company, PL

Exhibit 4: Revenue growth coming back after period of weakness



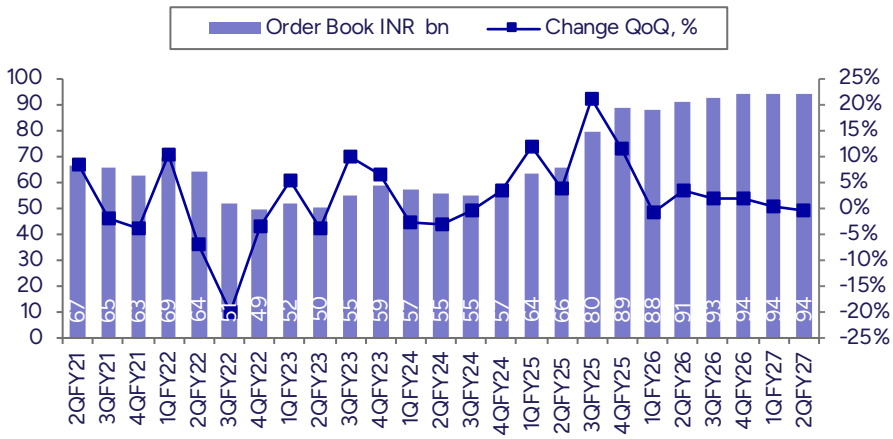
Source: Company, PL

Exhibit 5: Margin maintain at 20%+



Source: Company, PL

Exhibit 6: Order book at 3.8x TTM revenue provides good visibility



Source: Company, PL

Exhibit 7: Order Book Segment wise breakup

	2QFY19	2QFY20	2QFY21	2QFY22	2QFY23	2QFY24	2QFY25	2QFY26	2QFY27
Exports	37%	42%	38%	39%	49%	48%	39%	32%	29%
Leasing	21%	15%	21%	15%	6%	1%	19%	17%	19%
Turnkey	2%	2%	2%	2%	4%	3%	3%	2%	3%
Turnkey	40%	41%	38%	43%	40%	46%	38%	47%	48%

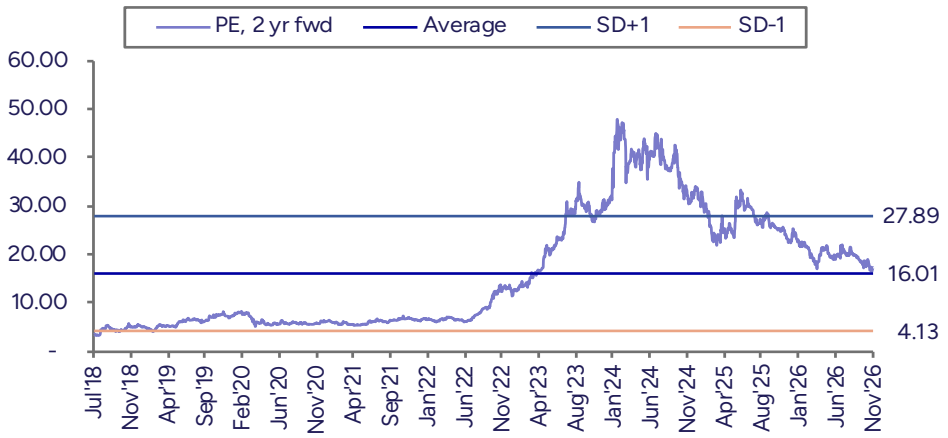
Source: Company, PL

Exhibit 8: Snapshot

INR mn	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Order Book	62,230	62,770	49,390	58,700	56,900	88,770	94,160	1,05,218	1,22,262	1,20,132
Order Inflow	26,004	19,593	13,238	35,593	22,729	54,048	29,541	39,541	49,541	32,497
Book to bill x	2.5	3.3	2.1	2.1	2.4	3.3	3.8	3.7	3.5	3.3
Revenue	24,744	19,053	26,618	26,283	24,529	22,178	24,151	26,720	32,368	37,221
Change yoy, %	21%	-23%	40%	-1%	-7%	-10%	9%	11%	21%	15%
EBITDA	6,609	5,496	7,238	7,449	6,441	5,150	5,541	5,948	7,007	8,220
Change yoy, %	15%	-17%	32%	3%	-14%	-20%	8%	7%	18%	17%
EBITDA Margin %	26.7%	28.8%	27.2%	28.3%	26.3%	23.2%	22.9%	22.3%	21.6%	22.1%
PAT	6,162	4,324	5,164	5,420	4,554	3,848	4,156	4,375	5,102	5,955
Change yoy, %	31%	-30%	19%	5%	-16%	-16%	8%	5%	17%	17%
PAT Margin %	25%	23%	19%	21%	19%	17%	17%	16%	16%	16%
WC as a % of sales	-61%	-86%	-63%	-61%	-56%	-76%	-48%	-34%	-25%	-17%
WC days	(224)	(316)	(230)	(222)	(203)	(276)	(174)	(124)	(91)	(61)
Net debt (INR bn)	-34,676	-31,427	-31,325	-31,739	-29,579	-32,133	-25,042	-23,329	-22,969	-21,768
Net debt/ equity (x)	-1.32	-1.31	-1.26	-1.22	-1.13	-1.22	-0.93	-0.86	-0.83	-0.78
Capex (INR bn)	1,603	569	836	1,354	1,367	1,323	944	748	906	1,042
Capex as % to revenue	6.5%	3.0%	3.1%	5.2%	5.6%	6.0%	3.9%	2.8%	2.8%	2.8%
CFO (INR bn)	3,192	5,157	3,096	5,598	4,316	6,371	3,275	1,836	4,563	4,704
CFO/ EBITDA	48%	94%	43%	75%	67%	124%	59%	31%	65%	57%
ROE	24.4	17.2	21.2	21.3	17.5	14.7	15.6	16.2	18.6	21.4
- Asset Turnover (x)	0.5	0.3	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.6
- Leverage (x)	2.0	2.3	2.4	2.3	2.2	2.2	2.3	2.2	2.2	2.3
- PAT Margin (%)	25%	23%	19%	21%	19%	17%	17%	16%	16%	16%

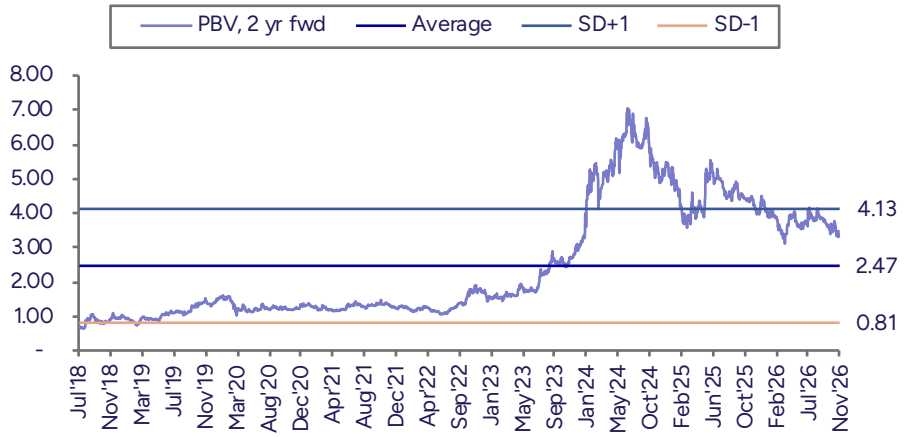
Source: Company, PL

Exhibit 9: RITE PE trading near average



Source: Company, PL

Exhibit 10: RITE PBV below SD +1



Source: Company, PL

Financials

Income Statement (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Net Revenues	**24,151**	**26,720**	**32,368**	**37,221**
YoY gr. (%)	*8.9*	*10.6*	*21.1*	*15.0*
Cost of Goods Sold	-	-	-	-
Gross Profit	24,151	26,720	32,368	37,221
Margin (%)	*100.0*	*100.0*	*100.0*	*100.0*
Employee Cost	5,217	5,550	6,105	6,501
Other Expenses	2,738	2,538	3,075	3,536
EBITDA	**5,541**	**5,948**	**7,007**	**8,220**
YoY gr. (%)	*7.6*	*7.3*	*17.8*	*17.3*
Margin (%)	*22.9*	*22.3*	*21.6*	*22.1*
Depreciation and Amortization	660	700	748	804
EBIT	**4,881**	**5,248**	**6,259**	**7,417**
Margin (%)	*20.2*	*19.6*	*19.3*	*19.9*
Net Interest	38	71	71	71
Other Income	1,095	1,054	1,016	998
Profit Before Tax	**5,938**	**6,231**	**7,204**	**8,344**
Margin (%)	*24.6*	*23.3*	*22.3*	*22.4*
Total Tax	1,533	1,607	1,853	2,140
Effective Tax Rate (%)	*25.8*	*25.8*	*25.7*	*25.7*
Profit After Tax	**4,405**	**4,624**	**5,351**	**6,204**
Minority Interest	389	389	389	389
Share Profit from Associate	140	140	140	140
Adjusted PAT	**4,156**	**4,375**	**5,102**	**5,955**
YoY gr. (%)	*8.0*	*5.3*	*16.6*	*16.7*
Margin (%)	*17.2*	*16.4*	*15.8*	*16.0*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**4,156**	**4,375**	**5,102**	**5,955**
YoY gr. (%)	*8.0*	*5.3*	*16.6*	*16.7*
Margin (%)	*17.2*	*16.4*	*15.8*	*16.0*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,156	4,375	5,102	5,955
Equity Shares O/s (mn)	**481**	**481**	**481**	**481**
EPS (INR)	**8.6**	**9.1**	**10.6**	**12.4**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Non-Current Assets				
Gross Block	**11,523**	**12,271**	**13,177**	**14,219**
Tangibles	-	-	-	-
Intangibles	-	-	-	-
Acc: Dep / Amortization	**5,676**	**6,376**	**7,124**	**7,928**
Tangibles	-	-	-	-
Intangibles	-	-	-	-
Net Fixed Assets	**5,846**	**5,895**	**6,053**	**6,292**
Tangibles	5,846	5,895	6,053	6,292
Intangibles	-	-	-	-
Capital Work In Progress	878	878	878	878
Goodwill	-	-	-	-
Non-Current Investments	3,994	4,000	4,007	4,013
Net Deferred Tax Assets	220	220	220	220
Other Non-Current Assets	3,729	3,729	3,729	3,729
Current Assets				
Investments	-	-	-	-
Inventories	346	383	464	533
Trade Receivables	9,312	9,883	11,972	13,767
Cash & Bank Balance	29,462	27,510	27,421	26,535
Other Current Assets	5,423	6,000	7,268	8,358
Total Assets	**59,259**	**58,547**	**62,061**	**64,374**
Equity				
Equity Share Capital	4,806	4,806	4,806	4,806
Other Equity	22,006	22,359	22,770	23,250
Total Networth	**26,812**	**27,165**	**27,576**	**28,056**
Non-Current Liabilities				
Long Term Borrowings	-	-	-	-
Provisions	101	106	112	117
Other Non Current Liabilities	149	156	164	172
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade Payables	3,204	3,545	4,294	4,938
Other Current Liabilities	23,445	21,877	23,558	24,031
Total Equity & Liabilities	**59,259**	**58,547**	**62,061**	**64,374**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
PBT	6,078	6,371	7,344	8,484
Add. Depreciation	660	700	748	804
Add. Interest	(673)	(983)	(945)	(927)
Less Financial Other Income	1,095	1,054	1,016	998
Add. Other	(113)	-	-	-
Op. Profit before WC Changes	5,952	6,088	7,146	8,360
Net Changes-WC	(1,563)	(2,644)	(731)	(1,516)
Direct Tax	(1,115)	(1,607)	(1,853)	(2,140)
Net Cash from Op. Activities	**3,275**	**1,836**	**4,563**	**4,704**
Capital Expenditures	(611)	(748)	(906)	(1,042)
Interest / Dividend Income	749	1,054	1,016	998
Others	1,125	-	-	-
Net Cash from Invt. Activities	**1,262**	**306**	**110**	**(44)**
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	-	-	-	-
Dividend Paid	(3,773)	(4,022)	(4,691)	(5,475)
Interest Paid	(33)	(71)	(71)	(71)
Others	-	-	-	-
Net Cash from Fin. Activities	**(3,806)**	**(4,093)**	**(4,762)**	**(5,546)**
Net Change in Cash	**731**	**(1,951)**	**(89)**	**(886)**
Free Cash Flow	2,664	1,088	3,657	3,662

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Net Revenues	**6,086**	**7,683**	**5,322**	**5,568**
YoY gr. (%)	*5.7*	*24.8*	*8.7*	*1.5*
Raw Material Expenses	-	-	-	-
Gross Profit	6,086	7,683	5,322	5,568
Margin (%)	*100.0*	*100.0*	*100.0*	*100.0*
EBITDA	**1,422**	**1,682**	**1,147**	**1,221**
YoY gr. (%)	*21.2*	*(9.4)*	*0.4*	*(5.8)*
Margin (%)	*23.4*	*21.9*	*21.5*	*21.9*
Depreciation / Depletion	170	165	166	171
EBIT	**1,252**	**1,517**	**981**	**1,050**
Margin (%)	*20.6*	*19.7*	*18.4*	*18.9*
Net Interest	7	9	8	10
Other Income	263	310	285	260
Profit before Tax	**1,508**	**1,817**	**1,257**	**1,300**
Margin (%)	*24.8*	*23.7*	*23.6*	*23.3*
Total Tax	390	464	328	340
Effective Tax Rate (%)	*25.8*	*25.5*	*26.1*	*26.1*
Profit After Tax	**1,118**	**1,353**	**930**	**960**
Minority Interest	-	-	-	-
Share Profit from Associate	33	40	48	10
Adjusted PAT	**1,151**	**1,394**	**978**	**971**
YoY gr. (%)	*20.5*	*(1.4)*	*7.6*	*(11.0)*
Margin (%)	*18.9*	*18.1*	*18.4*	*17.4*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**1,151**	**1,394**	**978**	**971**
YoY gr. (%)	*20.5*	*(1.4)*	*7.6*	*(11.0)*
Margin (%)	*18.9*	*18.1*	*18.4*	*17.4*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**1,151**	**1,394**	**978**	**971**
Avg. Shares O/s (mn)	481	481	481	481
EPS (INR)	**2.4**	**2.9**	**2.0**	**2.0**

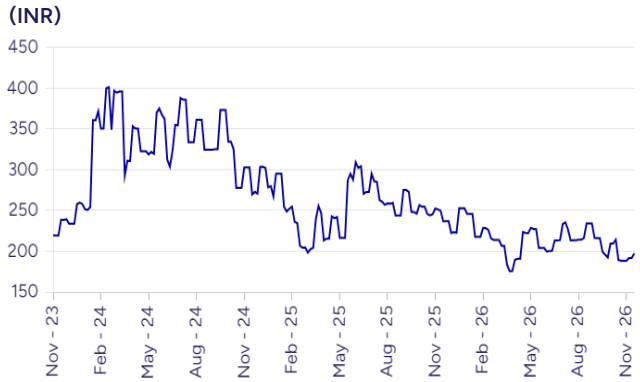
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY26	FY27E	FY28E	FY29E
Per Share (INR)				
EPS	8.6	9.1	10.6	12.4
CEPS	10.0	10.6	12.2	14.1
BVPS	55.8	56.5	57.4	58.4
FCF	5.5	2.3	7.6	7.6
DPS	8.0	8.4	9.8	11.4
Return Ratio (%)				
RoCE	18.3	19.4	22.9	26.7
ROIC	(126.8)	(746.9)	(9,202.3)	430.5
RoE	15.6	16.2	18.6	21.4
Balance Sheet				
Net Debt : Equity (x)	(1.1)	(1.0)	(1.0)	-
Net Working Capital (Days)	98	92	92	92
Valuation (x)				
PER	22.8	21.7	18.6	15.9
P/B	3.5	3.5	3.4	3.4
P/CEPS	19.7	18.7	16.2	14.0
EV/EBITDA	12.0	11.6	9.9	8.6
EV/Sales	2.8	2.6	2.1	1.9
Dividend Yield (%)	4.0	4.2	4.9	5.8
FCFF Yield (%)	2.8	1.1	3.9	3.9
PEG Ratio	2.9	4.1	1.1	1.0

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	06-Oct-26	BUY	267	204
2	05-Aug-26	BUY	267	216
3	07-Jul-26	BUY	275	216
4	01-Jul-26	BUY	275	205
5	20-May-26	BUY	275	204
6	08-Apr-26	BUY	276	192
7	05-Feb-26	BUY	276	223

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Adani Energy Solutions	BUY	1526	1220
2	Adani Power	BUY	259	183
3	Ahluwalia Contracts (India)	BUY	930	576
4	Ashoka Buildcon	BUY	150	106
5	CESC	BUY	204	124
6	Coal India	Accumulate	465	389
7	Dilip Buildcon	Accumulate	507	401
8	H.G. Infra Engineering	Accumulate	449	382
9	Indian Energy Exchange	HOLD	112	101
10	IRCON International	HOLD	136	108
11	JSW Energy	BUY	613	483
12	KNR Constructions	HOLD	126	116
13	NCC	BUY	195	128
14	NTPC	BUY	421	316
15	PNC Infratech	BUY	234	134
16	Power Grid Corporation of India	BUY	321	260
17	PSP Projects	BUY	1061	742
18	Rail Vikas Nigam	SELL	165	199
19	RITES	BUY	267	204
20	Tata Power Company	Accumulate	345	414

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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