PL Capital | INSTITUTIONAL EQUITIES

PRABHUDAS LILLADHER

INITIATING COVERAGE
September 2026

Adani Power (ADANI IN)

Multi-year Expansion with De-risked Growth

Rating: BUY | CMP: INR 199 | TP: INR 259

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September 24, 2026

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Quick Pointers

- Profitability matrix improving with new PPAs at higher capacity charges
- Capacity expansion from 18GW in FY26 to 41.9GW by FY32 (15% CAGR) to increase market share to 14% (+700bps)

Key Data	ADAN.BO | ADANI IN
BSE Code	533096
NSE Code	ADANIPOWER
52-W High / Low	INR 254 / INR 128
Face Value	2
Sensex / Nifty	73,581 / 23,063
Market Cap	INR 3,847 bn / $ 40,087 mn
Shares Outstanding	19284.69 mn
3M Avg. Daily Value	INR 5,182.16 mn

Shareholding Pattern (%)

Promoters	61.13
FIIs	10.37
Mutual Funds	9.93
Domestic Institutions	12.28
Public & Others	6.30
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(2.1)	(13.2)	32.9	38.0
Relative	3.0	(9.2)	33.8	53.3

Key Financials - Consolidated

Y/e Mar	FY26	FY27E	FY28E	FY29E
Sales (INR mn)	542,405	629,250	739,083	844,124
EBITDA (INR mn)	198,061	238,997	294,931	346,688
Margin (%)	*36.5*	*38.0*	*39.9*	*41.1*
PAT (INR mn)	114,093	123,805	153,573	172,758
EV (INR mn)	4,312,941	4,443,476	4,570,556	4,727,221
Total Debt (INR mn)	535,555	652,715	777,590	933,344
C&C Eq. (INR mn)	69,263	54,719	52,514	51,603
EPS (INR)	5.9	6.4	8.0	9.0
Gr. (%)	*5.1*	*8.5*	*24.0*	*12.5*
DPS (INR)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	*18.8*	*17.4*	*18.1*	*17.1*
RoCE (%)	*14.3*	*14.4*	*15.2*	*14.6*
EV/Sales (x)	8.0	7.1	6.2	5.6
EV/EBITDA (x)	21.8	18.6	15.5	13.6
PE (x)	33.7	31.1	25.0	22.3
P/BV (x)	5.9	5.0	4.2	3.5

We initiate coverage on Adani Power (ADANI IN) with a BUY rating, supported by a strong earnings growth trajectory as recently signed PPAs offer higher capacity charges, while thermal power remains critical for meeting India's baseload and reliability requirements. ADANI, India's second-largest thermal power producer, currently accounts for ~7% of India's coal-based installed capacity and is targeting a substantial expansion in capacity from 18.3GW in FY26 to 41.9GW by FY32, increasing its market share to ~14%. The ~INR2trn expansion capex (~INR84mn/MW) is manageable, with net debt/EBITDA expected to peak at just 2.5x in FY29E, among the lowest across peers. Importantly, execution risk is relatively contained, with 100% of land and BTG equipment secured, ~60% of capacity additions planned at brownfield sites, and 56% of the expansion pipeline already tied up under long-term PPAs. We forecast 21% EBITDA CAGR over FY26–29E, driven by expected capacity additions of 1.3GW/1.6GW/4.0GW in FY27/28/29E, respectively. We value ADANI at 18x Sep'28E EBITDA, deriving a TP of INR259/share, equivalent to ~10.5x FY32E EBITDA on a 12.5% discount rate. The premium valuation is supported by stronger earnings growth, improving capital efficiency and declining leverage.

23.7GW expansion to strengthen ADANI's baseload position: ADANI is undertaking a massive thermal expansion, which will take capacity from ~18GW in FY26 to ~42GW by FY32. The program is progressing well, with land secured, BTG orders placed for the entire pipeline, and 12.5GW already tied up under long-term PPAs. The expansion should strengthen ADANI's position in thermal power amid rising peak demand.

Higher tariffs for upcoming plants to improve profitability: New PPAs carry an average capacity charge of INR3.9/kWh vs. ~INR1/kWh for the existing fleet. Higher fixed charges should improve ROE to 23% in FY32E vs 19% in FY26.

Exploring nuclear energy as a long-term growth avenue: ADANI has established Adani Atomic Energy and is evaluating up to 10GW of nuclear capacity by 2035. While still at an early stage, nuclear provides an additional long-term growth avenue.

Strong earnings growth despite elevated capex; leverage manageable: We forecast EBITDA of 21% over FY26-29E, driven by capacity additions. Despite capex and negative FCF, strong OCF should provide meaningful internal funding support. Net debt is expected to rise, but EBITDA growth keeps leverage (Net/EBITDA) at 2.5x FY29E.

Valuation premium to sustain: We value ADANI at 18x Sep'28 EBITDA, adjusted for net debt, which yields TP of INR259/share. ADANI currently trades at 14x FY29E EV/EBITDA, while we estimate 21% EBITDA CAGR over FY26–29E. The premium to peers is supported 25% EBITDA CAGR over FY26–32E, while RoE improves to 23% by FY32E from 19% in FY26. And net debt/EBITDA is expected to decline to ~1.0x by FY32E from 2.3x in FY26, providing increasing balance-sheet headroom as the expansion cycle progresses towards nuclear.

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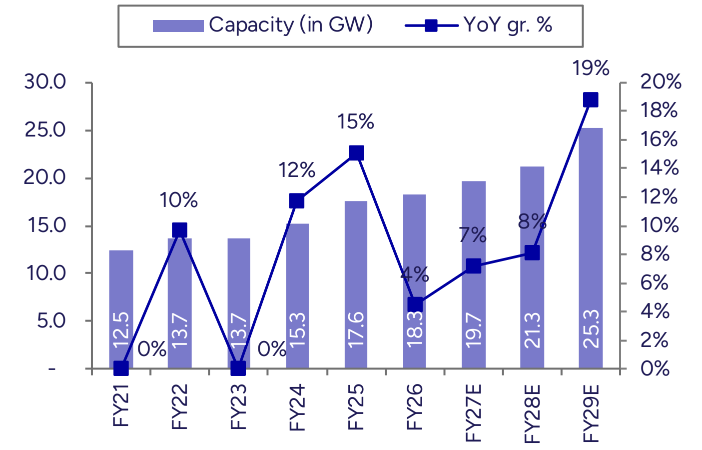
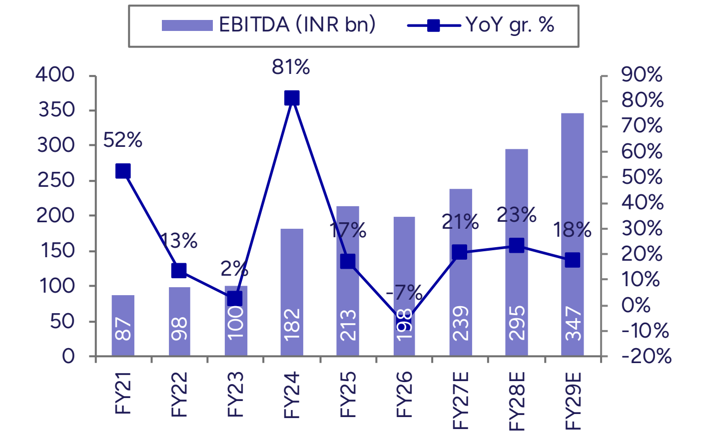
Story in Charts

Exhibit 1: Generation capacity to reach 25.3 GW by FY29E



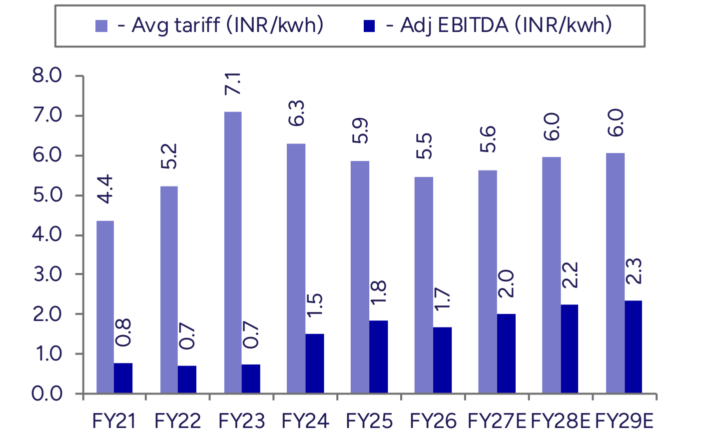
Source: Company, PL

Exhibit 2: EBITDA to grow at CAGR of 21% over FY26-29E



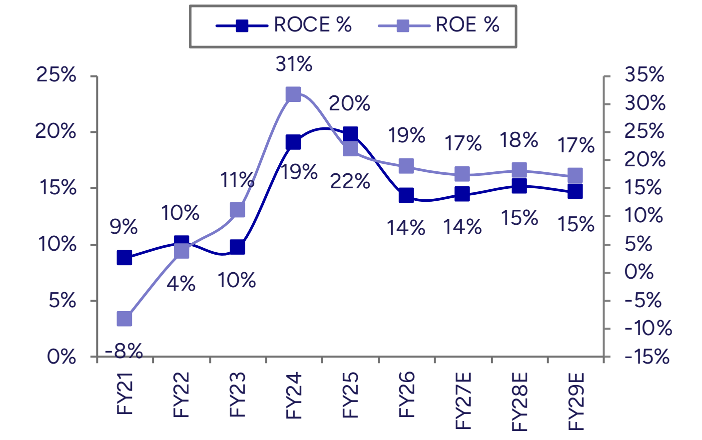
Source: Company, PL

Exhibit 3: Rising tariff realisation to drive higher EBITDA/kwh



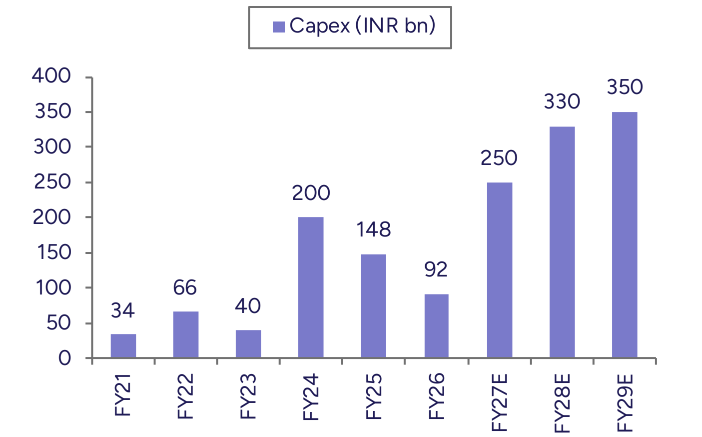
Source: Company, PL

Exhibit 4: Return ratios one of the best in industry



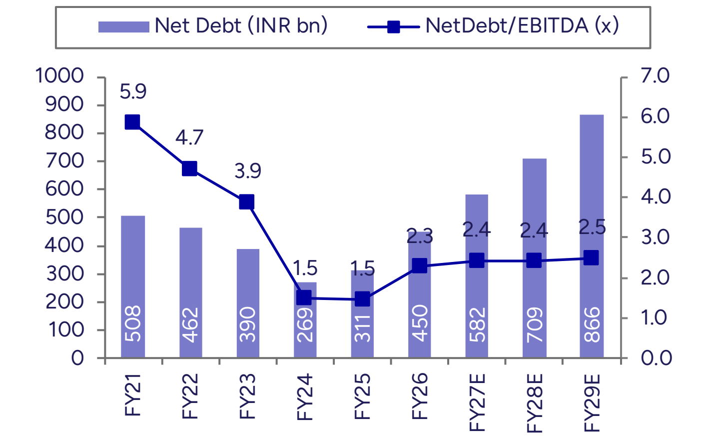
Source: Company, PL

Exhibit 5: Capex cycle to accelerate sharply from FY27E



Source: Company, PL

Exhibit 6: Despite higher capex, Net Debt/EBITDA stable



Source: Company, PL

Company Overview

ADANI: 2nd-largest thermal power producer in India

Adani Power Ltd (ADANI) is India's largest private-sector thermal power generator, with operating capacity of 18.3GW across 13 projects in 8 states as of FY26. The company has built a diversified thermal portfolio spanning Mundra, Tiroda, Kawai, Udupi, Raipur, Raigarh and Godda, with 60% of its capacity based on supercritical and ultra-supercritical technologies. Its strong contracted portfolio provides revenue visibility while retaining exposure to merchant power markets. The company is now embarking on one of India's largest private-sector generation capex programs, targeting 41.9GW of capacity by FY32, supported by a largely de-risked 23.7GW pipeline.

Thermal generation (core business): ADANI's operates 18.3GW generation capacity with ~7% share in India coal/lignite-based capacity. Its portfolio benefits from scale, diversified geography and a high proportion of efficient supercritical/ultra-supercritical units. Plant availability stood at ~89% in FY26, while the company has 74mmtpa coal-handling capacity, supporting reliable operations and fuel management.

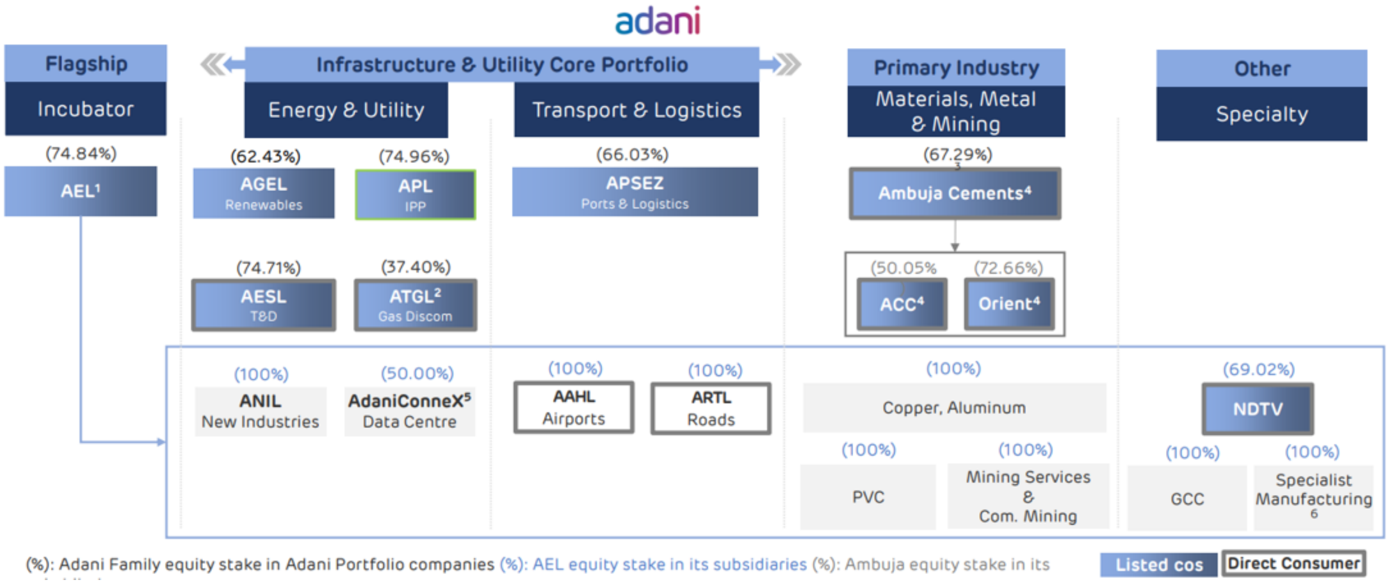
Contracted portfolio (~96% of operating capacity): ADANI's earnings are underpinned by a largely contracted portfolio, with 96% of operating capacity tied up under long- and medium-term PPAs. The 2-part, availability-based tariff structure provides visibility on fixed/capacity charges, while competitive generation assets and fuel-cost pass-through mechanisms support operating profitability. During FY26, ADANI secured 11GW of PPAs, while 56% of its locked-in expansion capacity is already tied up under long-term contracts, providing visibility for upcoming capacity additions.

Capacity expansion: ADANI is executing a 23.72GW capacity addition program, which will take its generation capacity from 18.3GW currently to ~42GW by FY32. The program is substantially de-risked, with 100% land secured and critical BTG equipment ordered, while ~60% of the capacity is being developed through brownfield expansion, enabling faster execution and lower development risk. Mahan Phase II, Raipur Phase II, Raigarh Phase II, and Korba Phase II are already under execution.

Inorganic growth – Value creation from stressed assets: ADANI has demonstrated a strong track record of acquiring stressed thermal assets and improving their operating and financial performance by leveraging its fuel-sourcing, power-selling and operating capabilities. Its key acquisitions, including Raipur, Raigarh and Mahan, have achieved significant EBITDA turnarounds, with Raipur's EBITDA increasing from INR2.1bn in FY20 to INR23.5bn in FY26, Raigarh moving from a loss of INR1.0bn in FY20 to INR11.1bn in FY26, We value ADANI at 18x Sep'28 and Mahan's EBITDA rising 2.9x from INR5.5bn in FY22 to INR16.0bn in FY26. The turnaround has enabled ADANI to utilize acquired sites for brownfield expansion, providing an additional platform for capacity growth.

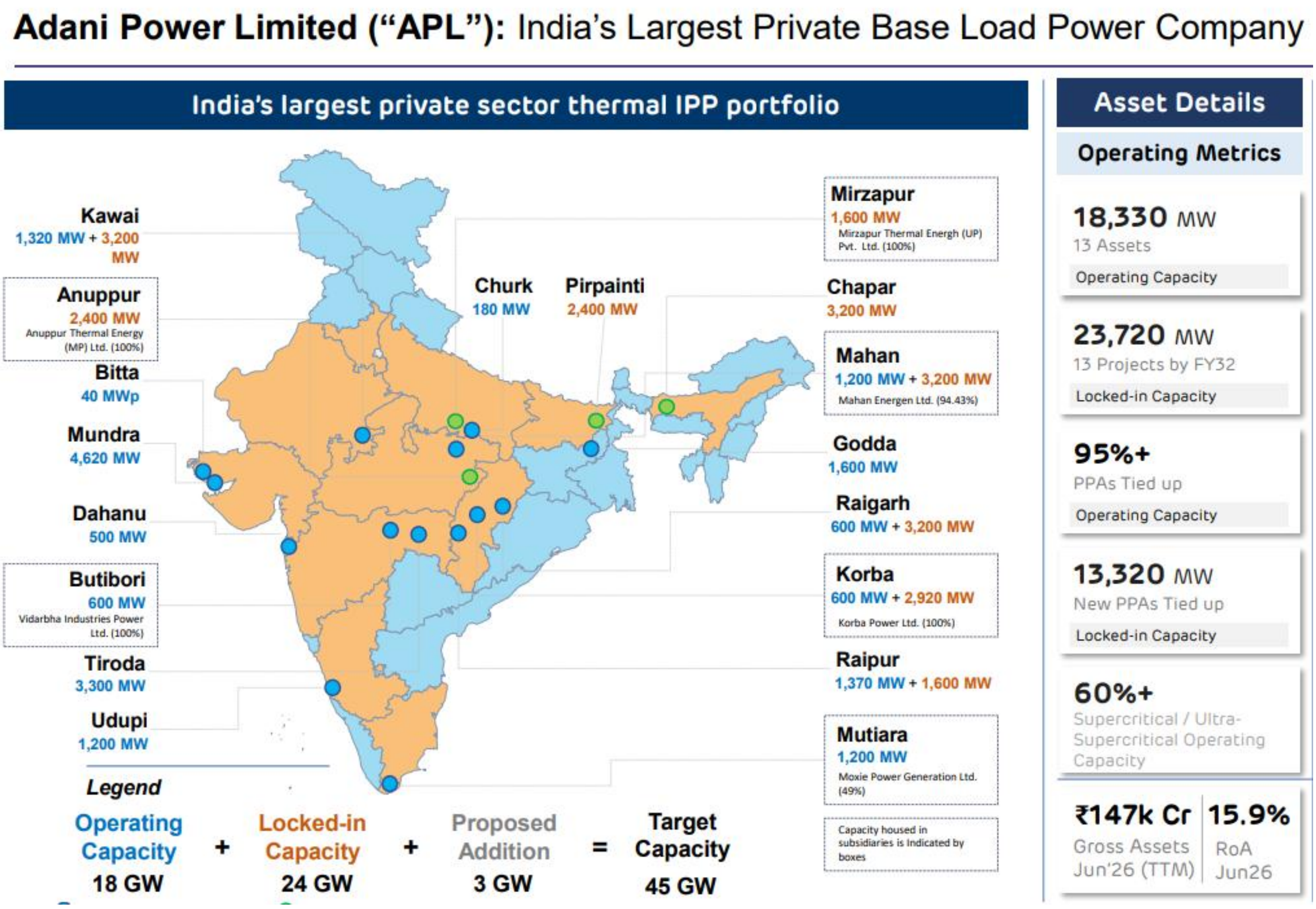
Integrated operating capabilities: ADANI's competitive advantage extends beyond generation, with capabilities across fuel sourcing, coal handling, logistics, plant operations and project execution. The company has 74mmtpa of coal-handling capacity and continues to strengthen fuel security through domestic coal linkages and captive/integrated sourcing. Its scale and operating expertise have enabled the fleet to consistently outperform the broader thermal fleet on availability and utilization, supporting strong cash generation.

Exhibit 7: Adani Group portfolio



Source: Company, PL

Exhibit 8: About ADANI



Source: Company, PL

Investment Arguments

23.72GW expansion to strengthen ADANI's baseload position

ADANI operates 18.3GW of generation capacity and has lined up a 23.72GW expansion pipeline, taking its targeted capacity to 41.87GW by FY32. The planned addition represents ~30% of India's estimated additional coal-based capacity requirement, giving ADANI a potentially disproportionate share of the upcoming thermal capex cycle.

The scale of ADANI's planned expansion is significant because thermal projects require long lead times, substantial capital investment, land, equipment, fuel arrangements and transmission connectivity. ADANI's operating experience and project-development capabilities provide it an edge as the sector moves into a period where timely execution of new capacity becomes increasingly important.

Higher capacity charges to drive superior EBITDA/MW

ADANI's upcoming thermal portfolio is contracted at materially better tariff economics. Average capacity charge for the under-construction portfolio stands at INR3.9/kWh versus ~INR1/kWh for the operational portfolio.

The management has indicated that these new PPAs should result in significantly higher EBITDA per MW compared with legacy PPAs.

Exhibit 9: Comparison of tariff between operational and upcoming portfolios

Particulars	Operational portfolio	Upcoming / Under-construction portfolio	Change
Average capacity charge (INR/kWh)	1	3.9	4x

Source: Company, PL

Expansion de-risked through PPAs and coal linkages

A key difference between the previous thermal cycle and the current opportunity is the increasing emphasis on contracted capacity and fuel security. ADANI has already secured PPAs with state discoms for its existing and upcoming capacities.

As of FY26, 20.9GW of PPAs had been awarded with pre-indicated coal linkages under the SHAKTI policy, of which ADANI's share in PPAs awarded for existing and upcoming capacities stood at 14.4GW.

The combination of long-term offtake and coal linkage materially improves the bankability of new thermal projects. It also reduces the risk of adding capacity without visibility on fuel availability or utilization.

ADANI has stated that PPAs awarded by state discoms, together with SHAKTI-linked coal allocations, are enabling it to secure contracts, anchor upcoming capacity and build more resilient earnings and cash flows.

Strong earnings growth despite elevated capex

ADANI operates India's largest private-sector thermal portfolio of 18.3 GW, diversified across key demand centers and fuel corridors. Around 96% of its operating capacity is tied up under long- and medium-term PPAs, limiting exposure to volatile merchant power prices.

The contracted portfolio provides visibility on offtake and supports recovery of fixed capacity-related costs, while fuel costs are largely passed through under applicable PPAs. Geographically diversified assets and proximity to coal sources, ports and demand centers further support dispatch competitiveness and operating stability. Importantly, the company continues to convert open capacity into contracted offtake, strengthening revenue visibility.

During FY26, ADANI secured 11GW of PPAs across states, including 3.2GW in Assam and 2.4GW in Madhya Pradesh. This strategy is also extending to the growth pipeline, with 56% of its 23.72GW locked-in expansion already tied up under long-term contracts. Hence, ADANI's expansion is increasingly backed by contracted demand, rather than being dependent solely on merchant-market opportunities.

The combination of a large operating base and high PPA coverage provides a stable earnings foundation, while the remaining merchant exposure offers upside during periods of tight power markets. We believe this contracted portfolio will remain a key differentiator as ADANI scales its thermal capacity to 41.9GW by FY32.

Exhibit 10: Operational portfolio (18.3GW) as of Q1FY27

Plant	Installed Capacity (Gross MW)	PPA Tie-up %	PPA Net MW	PPA tie-up (gross MW)	PPA Counterparty	PPA expiry date	Years Contracted
Mundra	4620	95%	1000	1320	Gujarat Discom (GUVNL)	19-Dec-35	25
			200				17
			1000	1320		01-Feb-37	15
			234				15
			1200	1320	Haryana Discom	06-Feb-38	25
			40	43	MPSEZ Utilities Ltd	31-Mar-41	25
			360	391		30-Jun-38	13
Tiroda	3300	100%	1320	3300	Maharashtra Discom	13-Jun-38	25
			1200			31-Mar-39	
			125			08-Aug-39	
			440			15-Feb-42	
Kawai	1320	96%	1203	1273	Rajasthan Discom	31-May-38	25
Udupi	1200	91%	1010	1080	Karnatak Discom	18-Aug-37	27
			10	11	MPSEZ Utilities Ltd	31-Mar-41	25
Raigarh Phase 1	600	89%	28	30	Chhattisgarh Discom	Till Plant Life	
			125	132	Assam DISCOM	01-Oct-50	25
			350	370	PTSL- Uttarakhand Discom	12-Jan-30	4
Raipur Phase 1	1370	100%	62	69	Chhattisgarh Discom	Till Plant Life	
			571	625	Karnatak Discom	01-Apr-51	25
			613	677	MPSEZ Utilities Ltd	15 years from start of PPA	
Mahan Phase 1	1200	76%	300	321	MPSEZ Utilities Ltd	15 years from start of PPA	
			56	60	MP Discom	Till Plant Life	
			500	535	Reliance Industries Ltd	09-Oct-44	20
Godda	1600	100%	1496	1600	Bangladesh (BPDP)	25-Jun-48	25
Mutiara	1200	100%	558	600	Tamil Nadu Discom	30-Sep-28	14
			558	600		31-Mar-31	5
Korba	600	100%	14	15	Chhattisgarh Discom	Till plant life	
			273	300	PTC - MP Discom	02-Dec-37	25
			261	285	PTC - Haryana Discoms	06-May-36	
Dahanu	500	100%	452	500	Adani Electricity Mumbai	31-Mar-30	
Butibori	600	100%	543	600	MSEDCL (5 year PPA)	31-Oct-30	6
Churk	180	0%	NA	NA	-		
Solar Bitta	40	100%	40	40	Gujarat Discoms	26-Dec-36	25

Source: Company, PL

Proven track record of turning around stressed thermal assets

ADANI has built a meaningful part of its portfolio through acquisitions of stressed and underutilized thermal assets, particularly through the IBC route. The strategy has been to acquire plants at relatively low acquisition costs, leverage ADANI's fuel-sourcing, power-selling and operating capabilities, and subsequently improve plant utilization and profitability. ADANI's inorganic portfolio now includes 7.45GW of thermal capacity, of which 7GW+ as seen rapidly turned around.

Exhibit 11: Acquisition history

Acquisition	Year	Capacity	Acquisition cost INR bn	Cost/MW	Key turnaround / current status
Udupi	2015	1,200MW	12	INR52.4mn/MW	Integrated into ADANI; 91% PPA tie-up
Raigarh	2019	600MW	35	INR20.1mn/MW	Revived from non-operational state
Raipur	2019	1,370MW	25	INR25.8mn/MW	Significant EBITDA turnaround; 100% PPA tie-up
Mahan	2022	1,200MW	33	INR20.8mn/MW	Major EBITDA turnaround; coal mine integration; expansion planned
Mutiara / Coastal Energen	2024	1,200MW	24	INR27.8mn/MW	Acquired through CIRP; operational turnaround underway
Korba / Lanco Amarkantak	2024	600MW	8	INR40.0mn/MW	1,320MW stalled Phase II being revived
Dahanu	2024	500MW	40	INR16.3mn/MW	Fully contracted; life-extension capex planned
Vidarbha / Butibori	2025	600MW	12	INR66.7mn/MW	Recently acquired; turnaround still at early stage

Source: Company, PL

ADANI has built a strong track record of acquiring stressed thermal assets at attractive valuations and improving their operating and financial performance. Key acquisitions include Udupi (1,200MW), Raipur (1,370MW), Raigarh (600MW) and Mahan (1,200MW), with acquisition costs ranging from INR12–63bn.

The turnaround has been particularly visible at Raipur, where EBITDA increased from INR2.1bn in FY20 to INR23.5bn in FY26, while Raigarh moved from negative EBITDA of INR1.0bn to INR11.1bn. Mahan's EBITDA also increased nearly 3x from INR5.5bn in FY22 to INR16.0bn in FY26.

ADANI's ability to leverage its fuel-sourcing, operating and power-selling capabilities has enabled acquired assets to achieve higher utilization and profitability. This track record provides confidence in ADANI's ability to extract value from recently acquired stressed assets as well.

Exhibit 12: Raipur, Raigarh and Mahan turnover

Plant	Acquisition year	EBITDA at acquisition	FY26 EBITDA	EBITDA change
Mahan	FY22	INR5.5bn	INR16.0bn	2.9x
Raipur	FY20	INR2.1bn	INR23.5bn	11.2x
Raigarh	FY20	(INR1.0bn)	INR11.1bn	INR12.1bn swing

Source: Company, PL

Importantly, ADANI's acquisition strategy extends beyond merely turning around existing assets, with acquired sites providing a platform for incremental brownfield capacity addition. Raipur, Raigarh, Mahan and Korba are now being leveraged for further capacity expansion, allowing ADANI to utilize existing land, transmission connectivity and other infrastructure. With ADANI continuing to evaluate stressed thermal assets, we see scope for inorganic acquisitions to complement its large organic pipeline and reinforce its position as a consolidator of India's thermal power sector.

Strong capex of INR2trn to boost 23.7GW capacity

ADANI is undertaking one of the largest private-sector thermal capex programs in India, with ~23.72GW of capacity addition taking its installed capacity from 18.3GW in FY26 to ~42GW by FY32. The program entails investment of ~INR2trn, implying average capex intensity of ~INR84mn/MW.

- Execution risk is relatively low, with 100% of land secured and 100% of BTG equipment ordered for the 23.7GW pipeline. Further, ~60% of the expansion is being developed on brownfield sites, allowing ADANI to leverage existing land, transmission connectivity and plant infrastructure.

- The technology mix is skewed toward efficient units, with 22.4GW or ~94% of the pipeline comprising 28×800MW ultra-supercritical units, while the remaining 1.32GW comprises 2×660MW supercritical units. This should support lower heat rates, better fuel efficiency and competitive generation costs over the asset life.

- Revenue visibility is improving alongside capacity addition, with 56% of the upcoming capacity already tied up under long-term PPAs. The PPAs also provide visibility on offtake for a substantial portion of the incremental capacity.

- Capex deployment is expected to remain elevated over the next few years, with the management guiding for ~INR250bn, INR330bn and INR350bn for FY27, FY28 and F29E, respectively. Most of the funding is expected to come from internal accruals, with the management indicating FFO of >INR140bn over the expansion period. We project ADANI's annual cash PAT at INR320bn for FY29E.

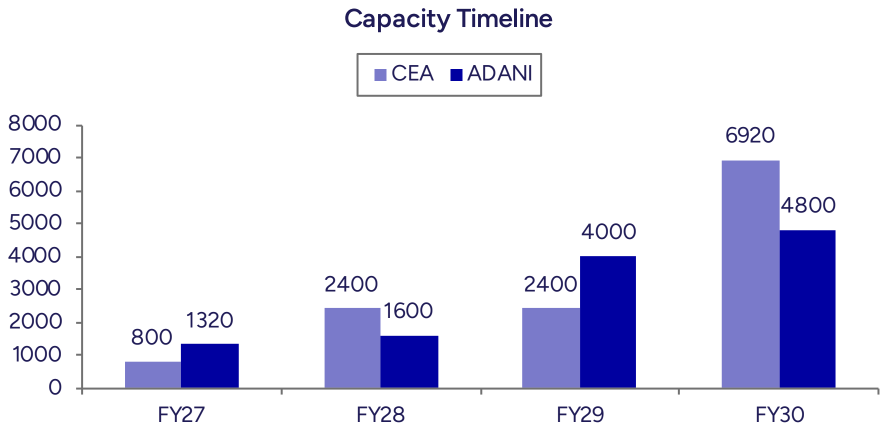
- Near-term commissioning provides visibility on the earnings ramp-up, with 1,320MW Korba Phase II expected during FY27 and 1,600MW Mahan Phase II scheduled for Q1FY28. Raipur Phase II and Raigarh Phase II already achieved >62% and 54% execution, respectively, as of Jun'26.

Exhibit 13: 100% land secured and equipment purchased

Project	MW	Land	Equipment	Environmental	PPA
Korba Ph-II	1,320MW	✓	✓	✓	Bids ongoing
Mahan Ph-II	1,600MW	✓	✓	✓	1,320MW
Raipur Ph-II	1,600MW	✓	✓	✓	1,600MW
Raigarh Ph-II	1,600MW	✓	✓	✓	Bids ongoing
Mirzapur	1,600MW	✓	✓	✓	1,600MW
Mahan Ph-III	1,600MW	✓	✓	✓	Bids ongoing
Kawai Ph-II	1,600MW	✓	✓	✓	Bids ongoing
Korba Ph-III	1,600MW	✓	✓	In progress	Bids ongoing
Pirpainti	2,400MW	✓	✓	✓	2,400MW
Kawai Ph-III	1,600MW	✓	✓	✓	Bids ongoing
Anuppur	2,400MW	✓	✓	✓	1,600MW
Raigarh Ph-III	1,600MW	✓	✓	In progress	Bids ongoing
Chapar (1)	3,200MW	✓	✓	✓	3,200MW
Total	**23,720MW**	**23,720MW**	**23,720MW**	**20,520MW**	**11,720MW**

Source: Company, PL

Exhibit 14: ADANI's capacity expansion timeline – As per CEA and ADANI (MW)



Source: Company, PL

ADANI's internal capacity commissioning estimates appear to be slightly more conservative than CEA's projections, particularly over FY27–30. While CEA expects ADANI's capacity to ramp up from 18.3GW in FY26 to ~30.9GW by FY30, ADANI's estimates indicate ~30GW over the period. The modest difference suggests that ADANI is building some execution buffer into its commissioning schedule, rather than assuming projects will be commissioned immediately upon reaching construction milestones.

We view this conservative approach positively, as thermal projects can face delays related to equipment installation, testing, environmental clearances, transmission connectivity and synchronization. ADANI has already de-risked a significant part of its pipeline through land acquisition and advance BTG ordering, while several projects are at advanced stages of construction.

Hence, any commissioning ahead of ADANI's stated timelines could provide potential upside to our capacity and earnings estimates, while the conservative base case limits the risk of overestimating near-term capacity additions. Overall, we believe ADANI's guidance provides a reasonable execution cushion, with scope for positive surprises if project execution remains ahead of schedule.

Superior technology to strengthen long-term competitiveness

ADANI's upcoming 23.72GW thermal expansion is entirely based on supercritical and ultra-supercritical technologies, with ~94% of the pipeline comprising 800MW ultra-supercritical units. These technologies operate at higher steam pressure and temperature than conventional subcritical units, resulting in higher thermal efficiency and lower coal consumption per unit of electricity generated.

CEA estimates typical gross efficiency of 35–37% for subcritical plants, ~40% for supercritical and 40–41% for ultra-supercritical units, while the Ministry of Heavy Industries indicates efficiency of 41–42% for supercritical sets and ~46% for advanced ultra-supercritical technology.

The higher efficiency should translate into lower fuel consumption and lower variable generation cost, which is particularly valuable given coal forms the largest component of thermal generation cost. The higher efficiency also reduces emissions intensity and strengthens the competitiveness of ADANI's new fleet as renewable penetration increases, and thermal plants increasingly operate in a more flexible manner.

Importantly, the higher upfront capex of advanced technology is partly offset by lower fuel consumption over the long asset life. ADANI's choice of 800MW ultra-supercritical units also provides economies of scale, while its brownfield projects can leverage existing infrastructure, further improving project economics.

Exhibit 15: Technology comparison of thermal power plants

Particulars	Subcritical	Supercritical	Ultra-supercritical
Typical steam pressure	150–170kg/cm²	247–270kg/cm²	~270kg/cm²
Typical steam temperature	~540°C	537–593°C	~600°C
Typical gross efficiency	35–37%	~40%	40–41%
Coal consumption	Highest	Lower	Lowest
Heat rate	Highest	Lower	Lowest
Operating cost	Highest	Lower	Lowest
Unit size in India	Up to 600MW	660–800MW	Typically 800MW
Load-following capability	Lower	Better	Better
Technology maturity	Mature	Mature	Increasing adoption

Source: Company, PL

Exploring nuclear energy as a long-term growth avenue

ADANI has entered nuclear energy with the launch of its subsidiary, Adani Atomic Energy Ltd in Feb'26 (and step-down units like Coastal-Maha and Rawatbhata-Raj Atomic Energy), aiming to reach 10GW of nuclear capacity by 2035.

The company is assessing former thermal plant sites in Bina and Nigrie (Madhya Pradesh) and is actively evaluating various domestic and overseas reactor technologies, including potential deployment options for small modular reactors.

Plans remain dependent on final regulatory frameworks, rules under India's private nuclear shift, and cost viability. While the SHANTI Act, 2025, has opened the door for private players in the nuclear sector, the actual step-by-step rules are still in the draft stage.

Private players are awaiting formal license until the Ministry of Power and the Department of Atomic Energy officially gazette the final text of the rules.

Bangladesh receivables normalizing, collections remain steady

Godda's receivables from Bangladesh stood at ~US$400mn as of Jun'26, which the management indicated was broadly in line with its projections. This represents a significant reduction on a QoQ basis, as receivables had reached an all-time high during Q1FY26.

Collections from Bangladesh have normalized, with Godda receiving nearly US$100mn in Jun'26 and the management indicating average monthly collections of ~US$100mn from the Bangladesh Power Development Board. This provides better visibility on cash realization from the Bangladesh PPA.

The management expects monthly collections to remain slightly above monthly billing, which should support a gradual reduction in outstanding receivables over time. The significant payments received during Jun–Jul'25 had already helped reduce the receivable build-up.

Overall, Bangladesh receivables are no longer a major near-term working-capital overhang, with regular payments supporting progressive liquidation. However, the outstanding balance of ~US$400mn remains meaningful and continued timely payments will be important for further normalization.

Financials

Controlled leverage despite elevated capex

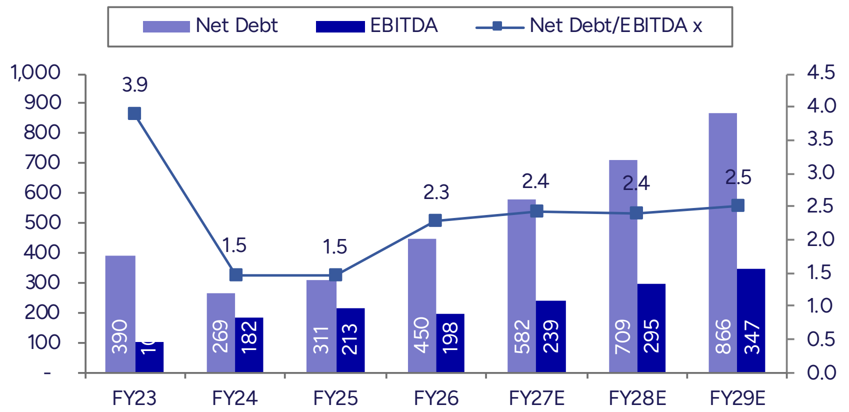
We forecast EBITDA/PAT CAGR of 21%/15% over FY26-29E, driven by the expansion of ADANI's thermal portfolio, with operational capacity rising to ~42GW by FY32 from current 18.3GW. We expect capacity additions of 1.3/1.6/4.0GW in FY27/28/29E, led by Korba Phase II, Mahan Phase II, Raigarh, Raipur and Mirzapur. Over 56% of the ~24GW incremental capacity is backed by long-term PPAs, while higher fixed charges and SHAKTI-linked FSAs should support earnings visibility and fuel security.

We estimate capex of ~INR930trn over FY27-29E, increasing from INR250bn to INR350bn. ADANI is expected to generate OCF of ~INR693bn over the period, providing meaningful internal funding support. FCF, however, is likely to remain negative during the period, with cash flow pressure peaking in FY28E.

Net debt is expected to rise from INR450bn in FY26 to INR866bn in FY29E, with net debt/EBITDA increasing from 2.3x to ~2.5x as EBITDA ramps up. EBITDA is estimated to increase from INR198bn to INR347bn, supported by higher generation and progressive commissioning of new capacity.

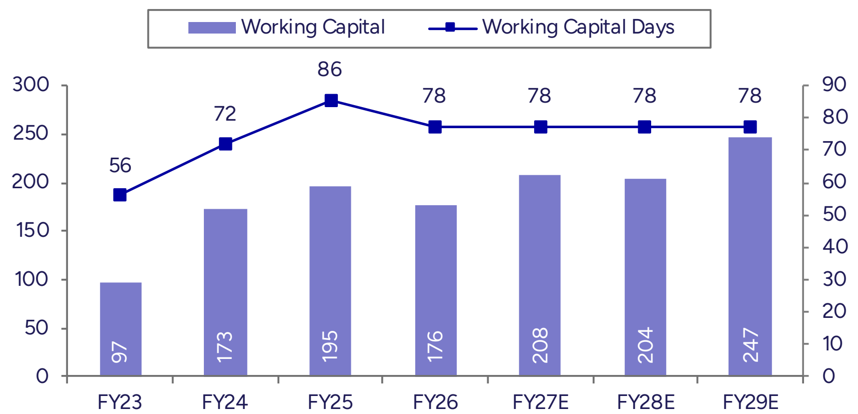
Working capital is expected to remain stable, at 76 days by FY28E, adding pressure during the peak capex phase. Nevertheless, healthy operating cash generation and improving EBITDA should support RoE of 17% over FY26-29E.

Exhibit 16: Net debt/ EBITDA (x) : Manageable for future growth capex



Source: Company, PL

Exhibit 17: Working capital & working capital days : Stable



Source: Company, PL

Exhibit 18: Operational and financial snapshot

	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Capacity (MW)									
Thermal	12,450	13,650	13,650	15,250	17,550	18,330	19,650	21,250	25,250
Change YoY, %		10%	0%	12%	15%	4%	7%	8%	19%
Addition YoY	1,920	1,200	-	1,600	2,300	780	1,320	1,600	4,000
- Imported Coal Capacity	5,800	5,800	5,800	6,600	7,800	7,800	7,800	7,800	7,800
- Domestic Coal Capacity	6,650	7,850	7,850	8,650	9,750	10,530	11,850	13,450	17,450
- Imported Coal Capacity %	47%	42%	42%	43%	44%	43%	40%	37%	31%
PLF %	54%	48%	47%	64%	71%	65%	69%	72%	71%
PAF %	95%	95%	94%	92%	91%	89%	89%	89%	89%
Total Generation (BU)	64	56	57	86	102	105	118	132	148
Growth YoY, %		-13%	2%	49%	20%	3%	12%	11%	12%
Merchant Generation (BU)	6	7	9	14	21	21	18	20	21
As % of Total Generation	9%	12%	16%	16%	20%	20%	15%	15%	14%
Per unit working INR / kWh									
- Avg tariff	4.4	5.2	7.1	6.3	5.9	5.5	5.6	6.0	6.0
- Merchant tariff	4.4	5.2	7.0	6.9	5.9	5.3	6.0	5.5	5.5
- Adj EBITDA	0.8	0.7	0.7	1.5	1.8	1.7	2.0	2.2	2.3
Capex (INR mn)	33,887	65,986	39,691	2,00,070	1,48,368	91,895	2,50,000	3,30,000	3,50,000
FCF (INR mn)	34,067	67,994	51,877	1,15,683	99,572	-28,170	-80,600	-69,591	-87,433
Growth YoY, %		100%	-24%	123%	-14%	-128%	186%	-14%	26%
OCF (INR mn)	70,144	1,02,327	84,305	1,41,702	2,15,011	2,05,137	1,70,323	2,60,409	2,62,567
Net working capital (INR mn)	1,13,492	98,255	97,463	1,72,863	1,95,385	1,75,945	2,07,690	2,04,021	2,46,875
Net working capital days	80	95	56	72	86	78	78	78	78
Growth YoY, %									
Revenue	-1	6	40	30	12	-3	16	17	14
EBITDA	52	13	2	81	17	-7	21	23	18
PAT	-36	-172	358	332	-6	5	9	24	12
Margin %									
EBITDA	33	35	26	36	38	37	38	40	41
PAT	-3	2	7	23	19	21	20	21	20
RoE Dupont (%)	(8)	4	11	31	22	19	17	18	17
- Asset/TO (x)	0.4	0.4	0.5	0.6	0.6	0.5	0.4	0.4	0.4
- Leverage	7	5	3	2	2	2	2	2	2
- Net margins	-3%	2%	7%	23%	19%	21%	20%	21%	20%
Leverage									
Net Debt/Equity (x)	3.9	2.5	1.3	0.6	0.6	0.7	0.8	0.8	0.8
EBIT/Interest (x)	1	3	3	7	6	6	5	5	5
Net Debt/EBITDA (x)	6	5	4	1	1	2	2	2	2

Source: Company, PL

Valuation and Outlook

We value ADANI at 18x Sep' 28 EBITDA, adjusted for net debt, and arrive at TP of INR259, equivalent to ~10.5x FY32E EBITDA on a 12.5% discount rate.

We build EBITDA CAGR of 21% and PAT CAGR of 15% over FY26-29E, and capacity additions of 1.3/2.4/4.0GW in FY27/28/29, with the commissioning of Mahan, Raipur, Korba, and Raigarh Phase II plants.

ADANI is currently trading at FY29E EV/EBITDA of 14x. Valuation premium over peers is supported 25% EBITDA CAGR over FY26–32E, while RoE improves to 23% by FY32E from 19% in FY26. And net debt/EBITDA is expected to decline to ~1.0x by FY32E from 2.3x in FY26, providing increasing balance-sheet headroom as the expansion cycle progresses towards nuclear.

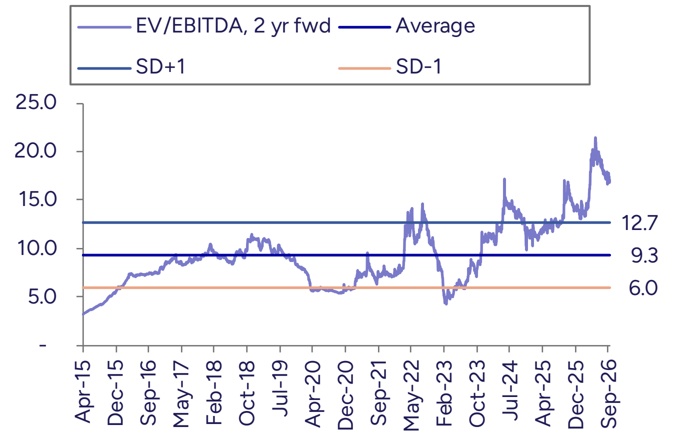
ADANI has superior capital allocation with the average acquisition cost of INR35mn/MW, significantly below the greenfield thermal plant cost of INR120mn over the past 5 years; it has strong growth trajectory with potential for EBITDA to rise to INR800bn post-completion of the current capex cycle (of 24GW); and optionality from its foray into nuclear.

Exhibit 19: Valuation table

Value (INR mn)	
H1FY29E EBITDA	3,20,809
EV/EBITDA (x)	18
EV	57,74,565
FY28F net debt	7,87,326
Equity	49,87,239
TP (INR)	**259**
Upside (%)	*26*

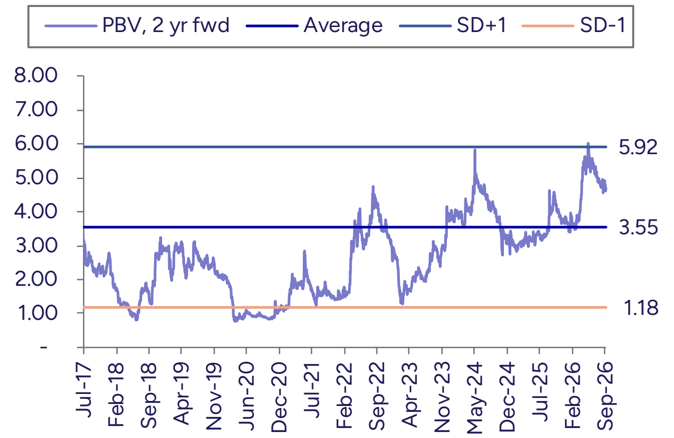
Source: Company, PL

Exhibit 20: 2-year forward EV/EBITDA



Source: Company, PL

Exhibit 21: 2-year forward P/BV



Source: Company, PL

Key Risks

Regulatory and contractual risk: Changes in regulations, tariff mechanisms or environmental norms, as well as adverse regulatory/judicial orders, could impact project economics and cash flows. Delays in approvals or customer non-compliance with contractual obligations may also result in disputes and financial exposure.

Commodity price and fuel supply risk: ADANI remains exposed to imported coal price volatility, domestic coal supply gaps and higher alternate-fuel costs, which can increase generation costs and pressure on margins. While PPA pass-through mechanisms and captive coal development can mitigate the impact, fuel availability remains critical to plant utilization.

Project execution and capex risk: ADANI is undertaking a large 23.72GW thermal expansion program, creating risks around construction delays, cost overruns, equipment availability and timely commissioning. Any execution slippage could defer cash-flow generation while increasing financing and project costs.

M&A and asset acquisition risk: ADANI's growth strategy includes acquisitions of stressed and operational power assets, creating risks around target selection, due diligence, contingent liabilities and the assumptions underlying turnaround potential. Incorrect valuation or lower-than-expected synergies could adversely affect returns and shareholder value.

Climate transition and environmental risk: As a predominant thermal generator, ADANI faces longer term risks from tighter emission norms, carbon-related regulations, environmental compliance and increasing investor focus on decarbonization. Climate-related physical risks and transition risks could increase compliance/capex requirements and affect the long-term economics of thermal assets.

Annexure

Capital raised over last 10 years

FY16 saw a promoter-led preferential equity infusion of INR11.15bn, through the allotment of 398.1mn shares at INR28/share. This increased equity share count by ~16% to 3,333.9mn shares. Separately, 63.9mn shares were issued in connection with the merger of AEL's solar undertaking and did not represent a cash fund raise.

In FY17, ADANI further strengthened its equity base through conversion of 523mn warrants into equity at INR32.54/share, representing ~INR17.0bn of equity consideration. This increased the outstanding equity shares to 3,856.9mn.

Importantly, there has been no fresh ordinary-equity issuance since FY17. ADANI's equity share has remained broadly flat at 3,856.9mn shares.

Exhibit 22: Historical fund raising

Year	Date	Instrument / transaction	Allottee	No. of securities	Issue / conversion price	Gross proceeds / consideration	% of pre-issue equity*	Nature
FY15	—	—	—	—	—	Nil	—	No fresh cash equity raise
FY16	Feb-16	Preferential equity shares	Gautam S Adani / Rajesh S Adani on behalf of SB Adani Family Trust	250.0mn	INR28.00/share	INR7.00bn	8.70%	Cash equity infusion
FY16	Feb-16	Preferential equity shares	Adani Properties Pvt Ltd	148.1mn	INR28.00/share	INR4.15bn	5.20%	Cash equity infusion
FY16	FY16	Shares issued pursuant to merger	Shareholders pursuant to merger of AEL's solar undertaking	63.9mn	—	No cash proceeds	2.20%	Non-cash restructuring
FY16	May-16	Convertible warrants	Promoter-group entities	380.0mn	INR32.54/warrant	INR12.37bn	—	Equity-linked instrument
FY17	FY17	Convertible warrants	Promoter-group entities	143.0mn	INR32.54/warrant	INR4.65bn	—	Equity-linked instrument
FY17	FY17	Conversion of warrants into equity	Promoter-group entities	523.0mn	INR32.54/share	~INR17.01bn	15.70%	Equity issuance on conversion

Source: Company, PL

Exhibit 23: Equity base movement

Particulars	FY15	FY16	FY17
Opening equity shares	2,871.9mn	2,871.9mn	3,333.9mn
Preferential equity shares issued	—	398.1mn	—
Merger-related shares	—	63.9mn	—
Warrants converted	—	—	523.0mn
Closing equity shares	2,871.9mn	3,333.9mn	3,856.9mn
YoY increase	—	16.10%	15.70%
Equity share capital	**INR28.72bn**	**INR33.34bn**	**INR38.57bn**

Source: Company, PL

Shareholding: Promoters held 74.96% of ADANI's shares as of Jun'26, unchanged from Mar'26. FII/FPI holding increased marginally to 11.76% from 11.73% in FY26, while DII holding rose to 4.07% from 3.69%, indicating continued institutional accumulation. Mutual fund holding increased to 3.92% from 3.62%. Promoter pledge remained at 1.81% of promoter holding. Institutions with >1% stake in ADANI are: Goldman Sachs Trust (3%), SBI Nifty 500 Index Fund (1.6%), and Quant MF (1%).

Management team led by industry veterans

Mr Anil Sardana, MD: He has over 3 decades of experience across the power and infrastructure sector, with a career spanning NTPC, BSES and Tata Group companies. Prior to joining the Adani Group, he served as the MD & CEO of Tata Power Group. His experience spans power generation, power systems design, distribution, telecom and project management. He holds an honors degree in electrical engineering from Delhi University, is a cost accountant and has completed a PGDM from the All India Management Association, along with management training from IIM Ahmedabad and EPRI, US.

Mr S B Khyalia, Whole-time Director & CEO: He is a chartered accountant with 35+ years of experience in the power sector, covering generation, transmission and distribution. He spent 26 years with Gujarat Electricity Board/GUVNL, where he held senior positions including Director (Finance), MD of Madhya Gujarat Vij Company and MD of Gujarat Power Corporation. His experience spans power trading, regulatory and commercial matters, finance, PPA management and renewable energy projects. He joined ADANI in Dec'21 and became the CEO in Jan'22, subsequently overseeing significant organic and inorganic expansion.

Mr Dilip Kumar Jha, CFO: He has been associated with the company since Apr'24. He is a part of the company's key management team and is responsible for financial management and oversight as the company undertakes a large-scale capacity expansion program. His role assumes importance given ADANI's significant internal cash generation, rising capex requirements and the need for disciplined capital allocation.

Mr Rajesh S Adani, Non-Executive Director: He has been associated with the Adani Group since its inception and heads the group's operations, with responsibility for developing business relationships. He brings more than 3 decades of business experience and provides strategic oversight at the board level. He is a non-executive promoter director of ADANI and serves alongside Mr Gautam S Adani on the board.

Adani family tree

```
Mr Shantilal Adani (father)
        ├── Mr Mahasukhbhai Adani
        ├── Mr Vinod Adani ──── Mr Pranav Adani (Infra/Realty)
        ├── Mr Rajesh Adani ──── Mr Sagar Adani (Power / Energy)
        ├── Mr Gautam Adani ──── Mr Karan Adani (Ports, Cement)
        │          └─── Mr Jeet Adani (Airport, Defense and Digital Infra)
        └─── Mr Vasant Adani
```

ESG Initiatives

Environmental

Cleaner thermal technology: ADANI is reducing the environmental intensity of its thermal fleet through the adoption of supercritical and ultra-supercritical technologies, improving heat rates and reducing coal consumption per unit of generation. The entire upcoming thermal pipeline is based on these higher efficiency technologies.

Water conservation: ADANI has implemented closed-loop cooling systems, wastewater recycling, water metering, periodic water audits and rainwater harvesting. All its hinterland thermal plants operate on a zero liquid discharge basis.

Ash utilization and circular economy: ADANI achieved 100% ash utilization during FY26, with ash being used productively in cement, construction and infrastructure applications. Its operating plants are also certified as single-use plastic free, while the company is progressing toward zero waste to landfill.

Climate and emissions management: ADANI is pursuing energy-efficiency initiatives and exploring measures such as renewable energy procurement, biomass co-firing and ammonia co-firing to reduce emissions intensity.

Biodiversity: ADANI conducts biodiversity risk assessments across its thermal power plant sites and has biodiversity management plans focused on minimizing impacts and conserving ecosystems. It has also signed the India Business & Biodiversity Initiative 2.0 Declaration.

Social

Occupational health & safety: ADANI follows the Adani Group Safety Management System with a stated objective of 'zero harm to life'. Its operations are aligned with ISO 45001, while Project Chetna focuses on strengthening the safety culture across the organization. During FY26, 5.70 lakh safety-training hours were completed, covering 2,799 employees and 12,477 contractual workers.

Employee health and wellbeing: Employees and workers undergo regular health check-ups, and have healthcare access and insurance coverage, while the Adani Care platform provides professional counselling and emotional-wellness support. ADANI also provides retirement, accident, maternity and paternity benefits.

Human rights and labor practices: ADANI has undertaken human-rights due diligence covering employees, contract workers, contractors, suppliers and affected communities. The company reported zero cases of human-rights violations involving child labor, forced labor, discrimination or wages during FY26.

Community development: Executed through the Adani Foundation, ADANI's social initiatives cover education, healthcare, nutrition, sustainable livelihoods, climate action and rural/community development. The foundation's programs have reached 13.3mn people across 7,247 villages in 22 states.

Diversity and inclusion: ADANI is working to increase gender diversity through gender-responsive infrastructure at project sites and initiatives aimed at creating a more inclusive workplace.

Governance

Board-level ESG oversight: ESG and sustainability are overseen through the Board and its committees, including Corporate Responsibility, Risk Management, Stakeholders' Relationship and Audit, supported by management-level ESG teams.

Strong policy framework: ADANI has policies covering the Code of Conduct, anti-corruption and anti-bribery, whistleblower protection, human rights, supplier conduct, related-party transactions, insider trading, sanctions compliance, cybersecurity and data privacy.

Whistleblower and grievance mechanisms: ADANI provides confidential channels for employees and directors to report suspected wrongdoing, unethical conduct and financial irregularities. Complaints are investigated under the supervision of the Audit Committee.

Responsible supply chain: ADANI screens and assesses suppliers, conducts supplier engagement and capacity building, and requires adherence to its Supplier Code of Conduct. Human-rights due diligence also extends across the value chain.

Exhibit 24: ESG rating over the years

ESG Rating	2024	2025	2026	Q1FY27
S&P Global CSA	48/100	68/100	69/100	71/100
FTSE Russell	3.5/5	3.6/5	3.5/5	4.3/5
CareEdge ESG	NA	NA	80/100	80/100
NSE Sustainability	NA	65	NA	NA
Sustainalytics	NA	NA	32	32

Source: Company, PL

Sector Outlook

Thermal power entering a structural capacity-addition cycle

India's power sector is entering a sustained capacity-addition cycle, driven by rising electricity consumption and faster growth in peak demand. ADANI estimates peak demand to increase from 245GW in FY26 to 388GW by FY32 (8% CAGR) and electricity demand to reach 2,474BU by FY32, implying ~6% CAGR. Urbanization, industrialization and emerging energy-intensive sectors such as data centers are expected to support this structural growth.

Peak demand is rising faster than average energy consumption, increasing the need for reliable and dispatchable capacity. Unlike solar generation, which is concentrated during daylight hours, coal-based plants can provide round-the-clock generation and support evening peaks, making thermal power critical for grid reliability and renewable integration. ADANI's FY26 annual report highlights that coal-based generation remains essential for baseload requirements as renewable capacity scales up.

India's transition toward cleaner generation does not imply an immediate decline in thermal capacity. Despite the 500GW non-fossil capacity target by 2030, ADANI estimates that ~97GW of additional thermal capacity will be required to meet the projected peak demand of 388GW by FY32, compared with peak demand of 243GW and ~229GW of operational coal capacity in FY26. The annual report also highlights nearly 100GW of additional coal-based capacity requirement by FY35. This requirement is supported by CEA's resource adequacy projections, which indicate coal and lignite capacity could increase from ~229GW in FY26 to ~315GW by FY36, implying ~86GW of incremental capacity (~3.2% CAGR).

Exhibit 25: **Projected fuel-wise capacity**

Source (GW)	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E
Coal incl. lignite	237	239	245	260	276	291
Gas	20	20	20	20	20	20
Nuclear	10	12	12	13	14	16
Large Hydro	48	54	55	58	59	61
Solar PV	176	214	254	285	320	356
Wind	63	73	83	93	103	113
Other RE	17	17	18	18	19	20
Total installed capacity	**571**	**629**	**687**	**747**	**811**	**877**
ADANI Share, % to All India coal capacity	8%	9%	10%	12%	13%	14%

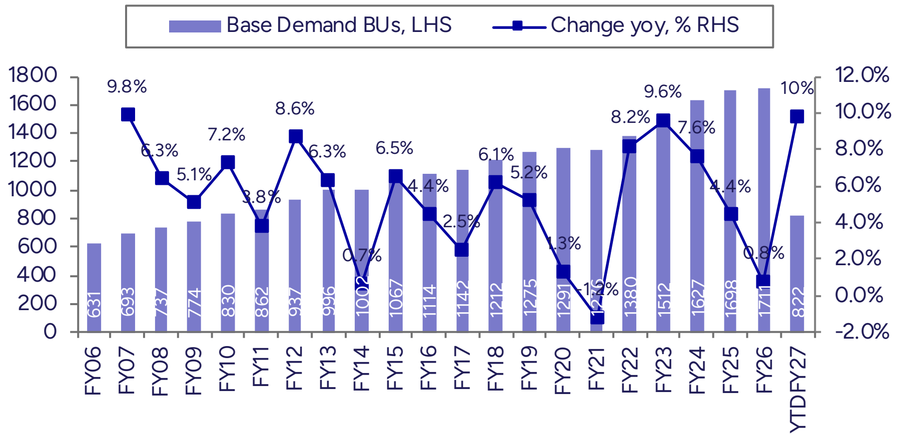
Source: Company, PL, coal share in total capacity to decline from ~42% in FY27 to 33% in FY32

Over FY16–26, power generation grew at 4.6% CAGR versus 5.9% real GDP CAGR – elasticity of 0.78, indicating electricity demand lagged the broader economy. In FY21–26, this reversed: generation CAGR of 5.9% outpaced GDP CAGR of 5.4%, taking the ratio to 1.09

The shift signals a structural change in growth composition. Elasticity above 1 indicates growth is being driven increasingly by energy-intensive segments – manufacturing, data centers, cooling demand, and electrification of transport and households – rather than the less power-intensive services growth that dominated the earlier decade.

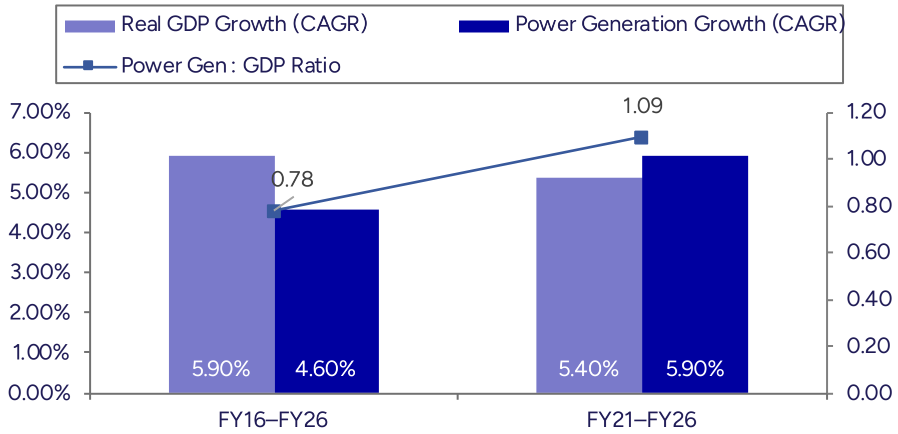
This indicates a positive read-through for the power value chain. With demand now compounding faster than GDP, generation, transmission and grid-related capex visibility improves structurally, supporting a longer runway for utilities, EPC and power equipment plays – a meaningful change from the sub-1 elasticity era when capacity addition consistently ran ahead of demand.

Exhibit 26: Base power demand 10% up in YTDFY27



Source: CEA, PL

Exhibit 27: Ratio of power generation growth to GDP growth has increased in the past 5 years



Source: Industry, PL

Despite renewable growth, demand for reliable thermal capacity

Rapid expansion of renewable energy will alter the operating pattern of thermal plants but does not eliminate the requirement for coal-based capacity in the medium term. ADANI highlights that coal remains essential for India's baseload requirements, particularly as renewable penetration increases and the grid requires dependable generation capacity to complement intermittent renewable sources.

India's installed capacity as of Jun'26 stood at ~549GW, including 251.5GW of thermal capacity, which represents ~46% of total installed capacity. The country is targeting 500GW of renewable capacity by 2030, but ADANI's assessment indicates that thermal capacity will continue to remain important for meeting the incremental demand and ensuring system stability.

The implication is that the power mix is likely to evolve toward renewables for incremental energy and thermal power for firm capacity, baseload and system reliability. This should support higher utilization of efficient thermal assets during periods of inadequate renewable generation and peak demand.

Peer Comparison

ADANI offers better long-term earnings visibility, with capacity additions spread over a 6-year timeframe, providing a longer duration of growth visibility versus most peers.

ADANI's EBITDA CAGR could potentially be higher than the 15% capacity CAGR, as EBITDA/MW is expected to improve with increasing utilization and/or higher realization and capacity charges. This differs from peers that are adding a larger share of renewable capacity, which typically generates lower EBITDA/MW than thermal capacity.

CESC stands out in terms of near-term growth, with the highest capacity CAGR of 40% over 3 years, while Acme, NLC and Adani Green are at 27% CAGR over 4–5 years.

Torrent Power, JSW Energy and Tata Power are in the 17–20% CAGR range, while SJVN, NHPC and NTPC have relatively lower capacity growth of 10–14%.

Exhibit 28: Financials of peers

Stock	Market Cap INR bn	CMP	TP	Upside %	Rating	CAGR	CAGR	CAGR	ROE		
						FY26-28E	FY26-29E	Parameter	FY27E	FY28E	FY29E
CESC	186	147	223	52%	BUY	15%	15%	EBITDA	13	13	12
COAL	2,601	422	486	15%	ACCUMULATE	8%	7%	EBITDA	26	23	22
IEX	100	112	144	29%	HOLD	13%	13%	PAT	38	38	38
NTPC (S)	3,171	327	430	31%	BUY	7%	7%	PAT	12	12	12
PWGR	2,483	267	339	27%	BUY	6%	7%	PAT	15	16	16
TPWR	1,163	364	430	18%	ACCUMULATE	14%	9%	EBITDA	11	11	9
AESL	1,613	1,343	1,752	30%	HOLD	34%	27%	EBITDA	13	15	13
JSW	935	510	699	37%	BUY	16%	16%	EBITDA	5	5	5
ADANI	3,838	199	259	30%	BUY	22%	21%	EBITDA	17	18	17

Source: Company, PL

Exhibit 29: Peer Valuation

Stock	Market Cap INR bn	P/Bv			Ev/EBITDA			P/E		
		FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
CESC	186	1.4	1.3	1.2	8	7	7	12	11	10
COAL	2,601	1.9	1.7	1.6	4.9	4.7	4	8	8	8
IEX	100	6.8	6.0	5.3	13	12	10	19	17	15
NTPC (S)	3,171	1.7	1.6	1.5	10	9	9	15	14	13
PWGR	2,483	2.3	2.2	2.0	9	9	9	15	14	13
TPWR	1,163	2.6	2.3	2.1	11	10	10	26	23	25
AESL	1,613	5.8	5.0	3.9	20	17	15	48	37	34
JSW	935	2.6	2.5	2.4	13	13	12	56	51	47
ADANI	3,838	5.0	4.1	3.5	18	15	14	31	25	22

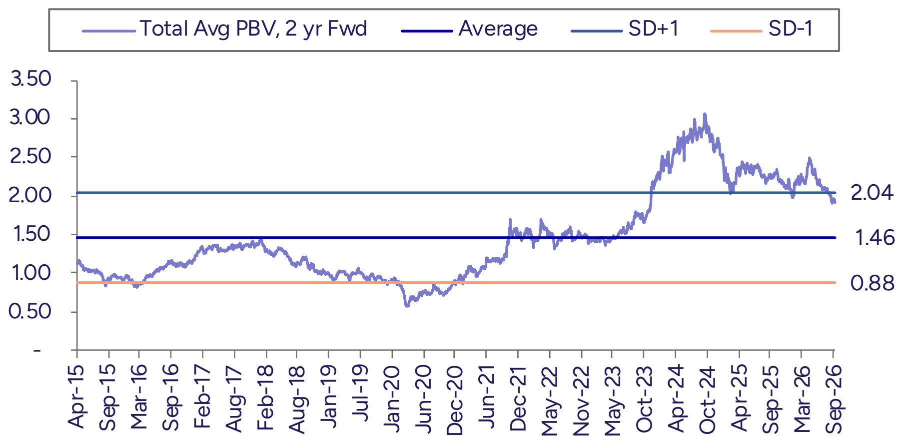
Source: Company, PL

Exhibit 30: Capacity target of peer companies

	FY26-30/31 CAGR	Timeframe
CESC	40%	3 years
ACMESOLAR	27%	5 years
NLCIN	27%	4 years
ADANIGR	27%	4 years
TORNTPOWER	20%	4 years
JSWENERGY	19%	5 years
TPWR	17%	4 years
ADANIP	15%	6 years
SJVN	14%	5 years
NHPC	13%	4 years
NTPC	10%	3 years

Source: Company, PL

Exhibit 31: Industry-level P/BV valuation at +1 STD



Source: Company, PL

Financials

Income Statement (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Net Revenues	542,405	629,250	739,083	844,124
YoY gr. (%)	(3.5)	16.0	17.5	14.2
Cost of Goods Sold	7,671	8,899	11,086	12,662
Gross Profit	534,734	620,351	727,997	831,462
Margin (%)	98.6	98.6	98.5	98.5
Employee Cost	8,552	9,921	11,653	13,309
Other Expenses	36,441	34,609	47,000	50,647
EBITDA	198,061	238,997	294,931	346,688
YoY gr. (%)	(7.0)	20.7	23.4	17.5
Margin (%)	36.5	38.0	39.9	41.1
Depreciation and Amortization	45,645	51,084	57,620	73,360
EBIT	152,416	187,914	237,310	273,328
Margin (%)	28.1	29.9	32.1	32.4
Net Interest	33,668	43,538	52,406	62,688
Other Income	36,248	20,698	19,860	19,704
Profit Before Tax	154,995	165,073	204,765	230,344
Margin (%)	28.6	26.2	27.7	27.3
Total Tax	25,284	41,268	51,191	57,586
Effective Tax Rate (%)	16.3	25.0	25.0	25.0
Profit After Tax	129,711	123,805	153,573	172,758
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	114,093	123,805	153,573	172,758
YoY gr. (%)	5.1	8.5	24.0	12.5
Margin (%)	21.0	19.7	20.8	20.5
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	129,711	123,805	153,573	172,758
YoY gr. (%)	1.7	(4.6)	24.0	12.5
Margin (%)	23.9	19.7	20.8	20.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	129,711	123,805	153,573	172,758
Equity Shares O/s (mn)	19,285	19,285	19,285	19,285
EPS (INR)	5.9	6.4	8.0	9.0

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Non-Current Assets				
Gross Block	1,056,483	1,183,391	1,334,816	1,699,441
Tangibles	-	-	-	-
Intangibles	-	-	-	-
Acc: Dep / Amortization	365,436	416,520	474,140	547,500
Tangibles	-	-	-	-
Intangibles	-	-	-	-
Net Fixed Assets	691,047	766,871	860,675	1,151,940
Tangibles	691,047	766,871	860,675	1,151,940
Intangibles	-	-	-	-
Capital Work In Progress	350,535	474,550	653,125	638,500
Goodwill	2,045	2,045	2,045	2,045
Non-Current Investments	1,169	-	-	-
Net Deferred Tax Assets	(58,272)	(52,444)	(47,200)	(42,480)
Other Non-Current Assets	91,123	105,713	124,164	141,811
Current Assets				
Investments	14,914	16,082	16,082	16,082
Inventories	36,235	43,925	45,458	55,049
Trade Receivables	117,914	169,950	168,159	218,003
Cash & Bank Balance	69,263	54,719	52,514	51,603
Other Current Assets	48,446	56,202	66,012	75,394
Total Assets	1,422,799	1,690,183	1,988,384	2,350,598
Equity				
Equity Share Capital	38,569	38,569	38,569	38,569
Other Equity	610,799	734,604	888,178	1,060,936
Total Networth	649,369	773,174	926,747	1,099,505
Non-Current Liabilities				
Long Term Borrowings	428,296	545,455	670,331	826,085
Provisions	-	-	-	-
Other Non Current Liabilities	68,930	79,967	93,925	107,274
Current Liabilities				
ST Debt / Current of LT Debt	107,259	107,259	107,259	107,259
Trade Payables	28,405	38,789	36,136	48,115
Other Current Liabilities	67,617	78,444	92,136	105,230
Total Equity & Liabilities	1,422,799	1,690,183	1,988,384	2,350,598

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
PBT	154,995	165,073	204,765	230,344
Add. Depreciation	45,645	51,084	57,620	73,360
Add. Interest	33,668	43,538	52,406	62,688
Less Financial Other Income	36,248	20,698	19,860	19,704
Add. Other	(24,701)	(48,348)	(58,051)	(60,970)
Op. Profit before WC Changes	209,608	211,346	256,740	305,422
Net Changes-WC	(4,471)	(41,024)	3,669	(42,854)
Direct Tax	-	-	-	-
Net Cash from Op. Activities	**205,137**	**170,323**	**260,409**	**262,567**
Capital Expenditures	(233,307)	(250,923)	(330,000)	(350,000)
Interest / Dividend Income	13,395	7,080	6,860	3,384
Others	(44,694)	(14,590)	(18,452)	(17,647)
Net Cash from Invt. Activities	**(264,606)**	**(258,432)**	**(341,592)**	**(364,262)**
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	153,694	117,159	124,875	155,754
Dividend Paid	-	-	-	-
Interest Paid	(40,254)	(43,538)	(52,406)	(62,688)
Others	(45,907)	(56)	6,509	7,718
Net Cash from Fin. Activities	**67,534**	**73,565**	**78,978**	**100,784**
Net Change in Cash	**8,064**	**(14,544)**	**(2,205)**	**(911)**
Free Cash Flow	(28,170)	(80,600)	(69,591)	(87,433)

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**301,867**	**424,367**	**464,900**	**462,548**
YoY gr. (%)	*(1.6)*	*15.1*	*5.8*	*7.8*
Raw Material Expenses	36,198	20,931	(809)	46,774
Gross Profit	265,669	403,436	465,709	415,774
Margin (%)	*88.0*	*95.1*	*100.2*	*89.9*
EBITDA	**67,162**	**93,313**	**126,732**	**120,685**
YoY gr. (%)	*(22.1)*	*(24.2)*	*6.2*	*(4.1)*
Margin (%)	*22.2*	*22.0*	*27.3*	*26.1*
Depreciation / Depletion	26,644	22,183	29,467	23,027
EBIT	**40,517**	**71,129**	**97,265**	**97,659**
Margin (%)	*13.4*	*16.8*	*20.9*	*21.1*
Net Interest	2,869	3,207	3,436	3,273
Other Income	21,405	23,916	51,277	20,405
Profit before Tax	**59,053**	**91,838**	**145,107**	**114,790**
Margin (%)	*19.6*	*21.6*	*31.2*	*24.8*
Total Tax	18,519	23,066	37,190	28,696
Effective Tax Rate (%)	*31.4*	*25.1*	*25.6*	*25.0*
Profit After Tax	**40,534**	**68,772**	**107,917**	**86,095**
Minority Interest	-	-	-	-
Share Profit from Associate	2,093	2,888	1,161	2,403
Adjusted PAT	**42,626**	**71,660**	**109,078**	**88,498**
YoY gr. (%)	*(32.1)*	*(15.6)*	*12.0*	*0.7*
Margin (%)	*14.1*	*16.9*	*23.5*	*19.1*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**42,626**	**71,660**	**109,078**	**88,498**
YoY gr. (%)	*(32.1)*	*(15.6)*	*12.0*	*0.7*
Margin (%)	*14.1*	*16.9*	*23.5*	*19.1*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**42,626**	**71,660**	**109,078**	**88,498**
Avg. Shares O/s (mn)	-	-	-	-
EPS (INR)	**6.9**	**11.6**	**17.7**	**14.4**

Source: Company, PL

Key Financial Metrics

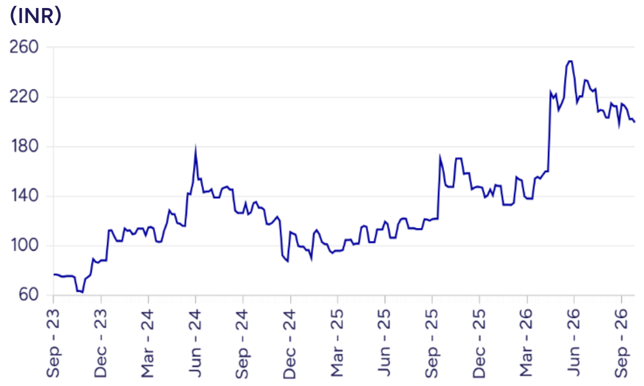
Y/e Mar	FY26	FY27E	FY28E	FY29E
Per Share (INR)				
EPS	5.9	6.4	8.0	9.0
CEPS	8.3	9.1	11.0	12.8
BVPS	33.7	40.1	48.1	57.0
FCF	(1.5)	(4.2)	(3.6)	(4.5)
DPS	-	-	-	-
Return Ratio (%)				
RoCE	14.3	14.4	15.2	14.6
ROIC	13.0	11.4	11.9	11.4
RoE	18.8	17.4	18.1	17.1
Balance Sheet				
Net Debt : Equity (x)	0.7	0.8	0.8	0.8
Net Working Capital (Days)	85	102	88	97
Valuation (x)				
PER	33.7	31.1	25.0	22.3
P/B	5.9	5.0	4.2	3.5
P/CEPS	24.1	22.0	18.2	15.6
EV/EBITDA	21.8	18.6	15.5	13.6
EV/Sales	8.0	7.1	6.2	5.6
Dividend Yield (%)	-	-	-	-
FCFF Yield (%)	-	(2.1)	(1.8)	(2.3)
PEG Ratio	6.6	3.7	1.0	1.8

Source: Company, PL

Notes

Notes

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Adani Energy Solutions	HOLD	1752	1724
2	Ahluwalia Contracts (India)	Buy	930	837
3	Ashoka Buildcon	BUY	150	114
4	CESC	BUY	220	165
5	Coal India	Accumulate	472	410
6	Dilip Buildcon	Accumulate	507	422
7	H.G. Infra Engineering	Accumulate	622	523
8	Indian Energy Exchange	Hold	135	124
9	IRCON International	HOLD	136	126
10	JSW Energy	Buy	646	562
11	KNR Constructions	HOLD	126	132
12	NCC	BUY	195	146
13	NTPC	BUY	450	351
14	PNC Infratech	BUY	271	210
15	Power Grid Corporation of India	BUY	331	272
16	PSP Projects	Accumulate	1062	951
17	Rail Vikas Nigam	SELL	165	228
18	RITES	BUY	267	216
19	Tata Power Company	Accumulate	414	371

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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