

February 5, 2026

## Q3FY26 Result Update

### Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	22,178	23,461	27,361	32,167
EBITDA (Rs. m)	5,150	5,355	6,201	7,274
Margin (%)	23.2	22.8	22.7	22.6
PAT (Rs. m)	3,848	3,936	4,508	5,304
EPS (Rs.)	8.0	8.2	9.4	11.0
Gr. (%)	(57.8)	2.3	14.5	17.7
DPS (Rs.)	7.6	7.8	8.9	10.5
Yield (%)	3.4	3.5	4.0	4.7
RoE (%)	14.7	14.9	16.9	19.7
RoCE (%)	17.3	17.7	20.6	24.2
EV/Sales (x)	3.3	3.2	2.8	2.3
EV/EBITDA (x)	14.2	14.1	12.1	10.0
PE (x)	27.8	27.2	23.7	20.2
P/BV (x)	4.1	4.0	4.0	3.9

### Key Data

### RITS.BO | RITE IN

52-W High / Low	Rs.316 / Rs.192
Sensex / Nifty	83,314 / 25,643
Market Cap	Rs.107bn/ \$ 1,184m
Shares Outstanding	481m
3M Avg. Daily Value	Rs.304.54m

### Shareholding Pattern (%)

Promoter's	72.20
Foreign	3.46
Domestic Institution	8.64
Public & Others	15.70
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(9.0)	(13.7)	(5.7)
Relative	(6.7)	(16.4)	(11.5)

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## Margin moved up, order book at its high

**RITES Ltd (RITE)** delivered steady Q3FY26 performance, with revenue growing 6% YoY to Rs6.1bn, led by consultancy growth and a sharp recovery in exports, partly offset by weaker turnkey execution. EBITDA increased 21% YoY, with margins expanding by ~300bps to 23.4%, driven by a favorable mix skewed toward high-margin consultancy and exports. The company reported its highest-ever order book of Rs92bn (4x TTM revenue), offering strong medium-term revenue visibility. The order book remains well diversified, with turnkey at ~49%, consultancy at ~30% and exports at ~18%; with nearly 60% of the orders are ~1 year old, supporting execution momentum. The management remains confident of achieving double-digit YoY revenue growth, with acceleration expected from Q4, and has guided for an order book of ~Rs100bn by Q1FY27. Margin guidance remains intact at ~20% EBITDA and ~15% PAT on a normalized basis, while export margins are expected to stabilize at 12–13% amid competitive bidding. FY27E is projected as a year of growth by RITE, supported by execution ramp-up across segments. The asset-light business model, negative working capital cycle and expected ~17% RoE in FY27E underpin earnings quality. Valuing RITE at 25x FY28E P/E, we arrive at TP of Rs276 with 'BUY' rating. The stock offers 3.5–4% dividend yield.

- Steady Q3FY26:** RITE delivered steady Q3FY26 performance, with revenue increasing 6% YoY to Rs6.1bn, supported by growth in consultancy and a sharp recovery in exports, partly offset by a decline in turnkey execution. EBITDA grew 21% YoY, with margins expanding sharply by ~300bps to 23.4%, driven by a favorable segmental mix led by high-margin consultancy and exports. PAT rose 5% YoY to Rs1.15bn, with profit growth moderated by lower other income and reduced JV contribution.
- Diversified, young order book supports growth outlook:** RITE reported its highest-ever order book of Rs92bn as of Q3FY26, providing strong medium-term revenue visibility. The order book is well diversified, with turnkey projects forming ~49%, followed by consultancy at ~30%, exports at ~18%, leasing at ~2%, and REMC at ~1%. Importantly, nearly 60% of the order book is ~1 year old, indicating a young and executable pipeline. The management highlighted pick-up in execution momentum across verticals. Overall, the outlook remains constructive, backed by a strong inflow trajectory, improving execution and rising export contribution.
- Guidance for double-digit growth with margin discipline maintained:** The management reiterated its confidence in delivering double-digit YoY revenue growth, with growth expected to accelerate from Q4, driven by the ramp-up of the order book. The company is targeting an order book of ~Rs100bn by Q1FY27, supported by sustained inflows across consultancy, exports and turnkey segments. On the margins front, the management reaffirmed its long-term ~20% EBITDA margin and ~15% PAT margin on a half-yearly or annualized basis, noting that higher Q3 margins were largely mix-driven. Export margins are expected to stabilize in the 12–13% range, reflecting the structural shift toward globally competitive bidding versus earlier LoC-based orders. Looking ahead, the management views FY27 as a 'year of disruptive growth', with broad-based expansion across segments, while refraining from providing explicit numerical guidance given the evolving execution and competitive environment.

**Exhibit 1: Quarterly snapshot**

Particulars (Rs mn)	3QFY26	3QFY25	YoY gr. (%)	2QFY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
<b>Net Sales</b>	<b>6,086</b>	<b>5,758</b>	<b>5.7</b>	<b>5,487</b>	<b>10.9</b>	<b>16,471</b>	<b>16,024</b>	<b>2.8</b>
<b>EBITDA</b>	<b>1,422</b>	<b>1,173</b>	<b>21.2</b>	<b>1,296</b>	<b>9.7</b>	<b>3,860</b>	<b>3,294</b>	<b>17.2</b>
<i>EBITDA margin (%)</i>	<i>23.4%</i>	<i>20.4%</i>	<i>298bps</i>	<i>23.6%</i>	<i>-26bps</i>	<i>23.4%</i>	<i>20.6%</i>	<i>288bps</i>
Other income	263	384	(31.7)	303	(13.3)	785	822	(4.4)
Depreciation	170	160	6.1	171	(0.6)	495	453	9.2
Interest	7	10	(30.8)	8	(5.3)	29	45	(35.7)
Share of profit/(loss) from JVs	33	53	(37.8)	43	(23.8)	99	85	16.4
<b>Pre-tax profit</b>	<b>1,541</b>	<b>1,440</b>	<b>7.0</b>	<b>1,464</b>	<b>5.2</b>	<b>4,220</b>	<b>3,703</b>	<b>14.0</b>
Tax (current+deferred)	390	346	12.5	373	4.5	1,069	879	21.6
<b>PAT</b>	<b>1,151</b>	<b>1,094</b>	<b>5.2</b>	<b>1,091</b>	<b>5.5</b>	<b>3,151</b>	<b>2,823</b>	<b>11.6</b>

Source: Company, PL

**Exhibit 2: Segmental performance (Rs mn)**

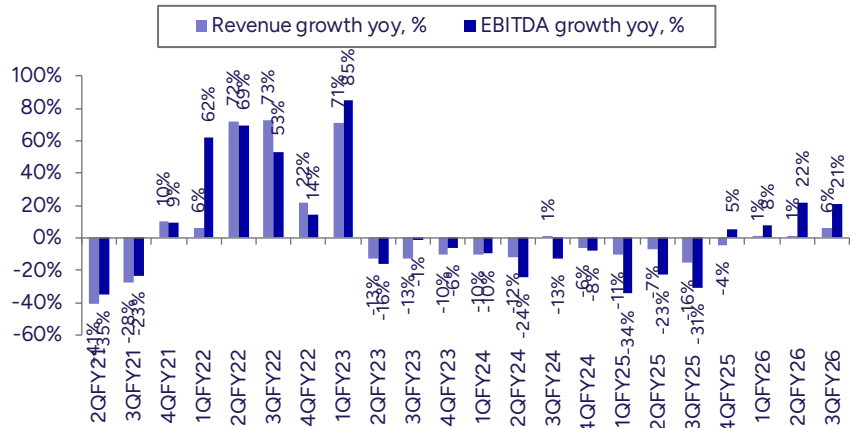
Segmental Revenue	3QFY26	3QFY25	YoY gr. (%)	2QFY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
Consultancy	3,296	3,094	6.6	3,276	0.6	9,474	8,785	7.8
Exports	620	7	8,278.4	606	2.3	1,260	80	1,472.4
Leasing	431	403	6.8	428	0.5	1,285	1,092	17.6
Turnkey Projects	1,724	2,232	(22.8)	1,130	52.6	4,338	5,950	(27.1)
Power generation	15	21	(29.0)	48	(68.6)	115	117	(1.9)
<b>Segmental EBIT</b>								
Consultancy	1,398	1,231	13.5	1,257	11.2	3,770	3,369	11.9
Exports	84	1	13,833.3	63	33.1	139	31	352.6
Leasing	148	145	2.2	128	15.6	439	386	13.8
Turnkey Projects	22	26	(13.7)	13	76.8	57	69	(16.9)
Power generation	(23)	(15)	51.7	8	(382.7)	(0)	6	(107.1)
<b>EBIT Margin %</b>								
Consultancy	42.4%	39.8%	261bps	38.4%	403bps	39.8%	38.4%	145bps
Exports	13.5%	8.1%	538bps	10.4%	312bps	11.0%	38.2%	-2721bps
Leasing	34.3%	35.9%	-154bps	29.8%	450bps	34.2%	35.3%	-117bps
Turnkey Projects	1.3%	1.1%	14bps	1.1%	18bps	1.3%	1.2%	16bps
Power generation	-153.7%	-71.9%	-8179bps	17.1%	-13664bps	-0.3%	4.8%	-514bps

Source: Company, PL

## Q3FY26 Earnings Call Highlights

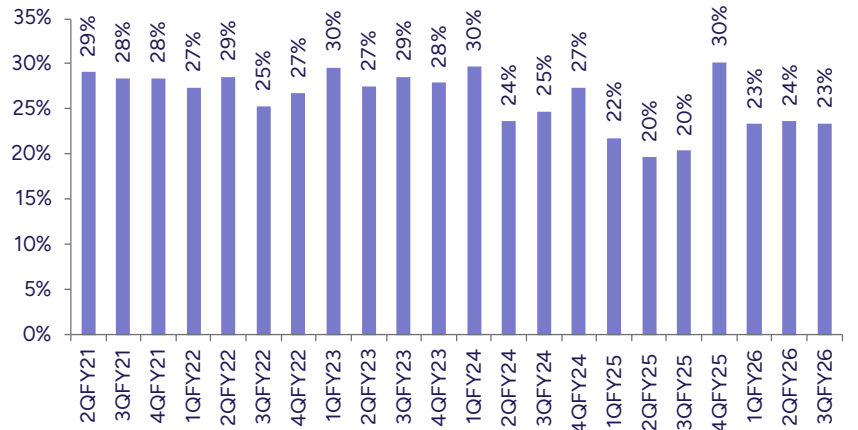
- The management has guided for double-digit YoY revenue growth, with momentum expected to accelerate from Q4, supported by a young and executable order book.
- The company reiterated its target of achieving an order book of Rs100bn by Q1FY27, versus current Rs92bn.
- Around 60% of the order book is ~1 year old, providing strong near-term execution visibility and supporting sequential growth in both revenue and profit.
- The management maintained its medium-term margin 'red lines' of ~20% EBITDA margin and ~15% PAT margin, noting Q3 margins were elevated due to a favorable mix.
- Segmentally, consultancy margins remained healthy at ~35%, while turnkey margins stayed subdued at 1–2%, with turnkey forming ~49% of the order book.
- Export revenue is expected to show an upward swing every quarter, aided by an international order book of Rs21bn with a 2–3 year execution timeline.
- Export margins have structurally reset lower to 12–13.5%, reflecting a shift toward global competitive bidding versus earlier line-of-credit driven orders.
- The management highlighted that 65–70% of new order inflows are now competitive, intensifying pricing pressure across segments.
- Even nomination-based orders are seeing margin pressure, as clients renegotiate pricing in line with prevailing competitive benchmarks.
- The managements views FY27 as a 'year of disruptive growth', with expectations of broad-based expansion across segments, although precise numerical guidance was deferred.
- Overall outlook remains positive on growth and inflows, but the management acknowledged a structurally more competitive environment with tighter margins, requiring active mix management to sustain profitability.

**Exhibit 3: Revenue growth picks up after period of weakness**



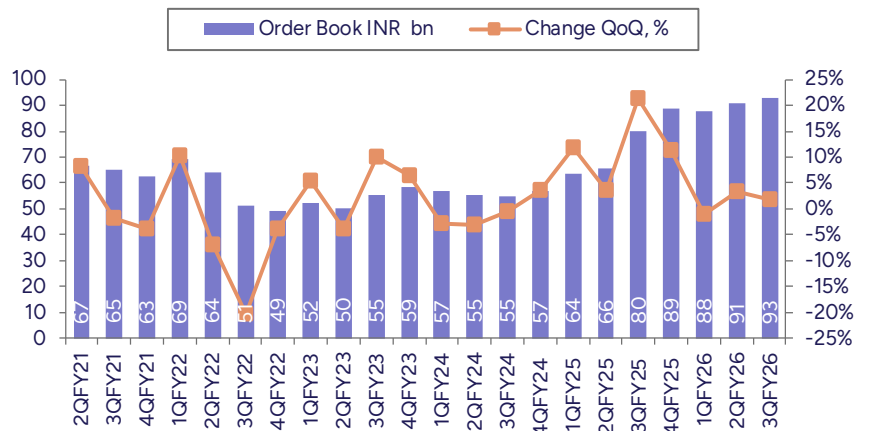
Source: Company, PL

**Exhibit 4: EBITDA margin guidance maintained at ~20% +**



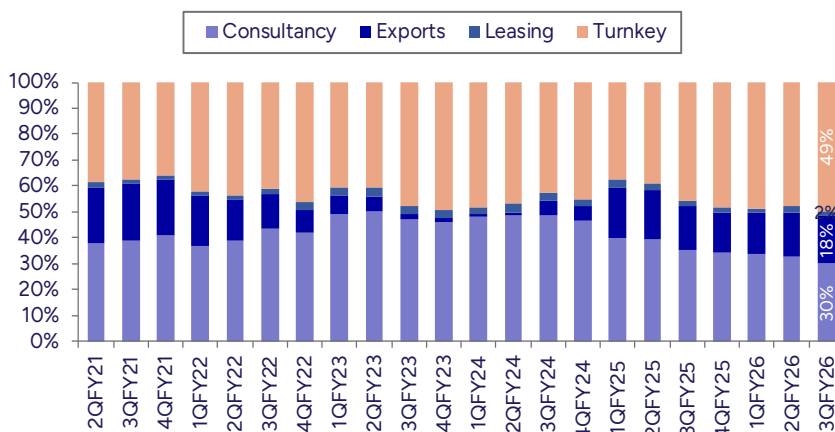
Source: Company, PL

**Exhibit 5: Healthy order book provides good visibility**



Source: Company, PL

**Exhibit 6: Order book – Segment-wise break-up**



Source: Company, PL

**Exhibit 7: Key annual operational and financial metrics**

(Rs mn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Order Book	60,970	62,230	62,770	49,390	58,700	56,900	88,770	87,391	91,756	1,02,318
Order Inflow	NA	26,004	19,135	13,238	35,593	22,729	54,048	40,000	50,000	60,000
Book to bill, x		2.5	3.3	2.1	2.1	2.4	3.3	3.8	3.3	3.0
Revenue	20,475	24,744	19,053	26,618	26,283	24,529	22,178	23,461	27,361	32,167
Change YoY, %	37%	21%	-23%	40%	-1%	-7%	-10%	6%	17%	18%
EBITDA	5,755	6,609	5,496	7,238	7,449	6,441	5,150	5,355	6,201	7,274
Change YoY, %	39%	15%	-17%	32%	3%	-14%	-20%	4%	16%	17%
EBITDA Margin, %	28.1%	26.7%	28.8%	27.2%	28.3%	26.3%	23.2%	22.8%	22.7%	22.6%
PAT	4,695	6,162	4,324	5,164	5,420	4,554	3,848	3,936	4,508	5,304
Change YoY, %	37%	31%	-30%	19%	5%	-16%	-16%	2%	15%	18%
PAT Margin %	23%	25%	23%	19%	21%	19%	17%	17%	16%	16%
WC as a % of sales	-82%	-61%	-86%	-63%	-61%	-56%	-76%	-59%	-48%	-46%
WC days	(298)	(224)	(316)	(230)	(222)	(203)	(276)	(214)	(176)	(169)
Net debt (Rs bn)	-33,341	-34,676	-31,427	-31,325	-31,739	-29,579	-32,133	-29,721	-29,736	-31,954
Net debt/ equity (x)	-1.38	-1.32	-1.31	-1.26	-1.22	-1.13	-1.22	-1.12	-1.11	-1.18
Capex (Rs bn)	1,161	1,603	569	836	1,354	1,367	1,323	657	766	901
Capex as % to revenue	5.7%	6.5%	3.0%	3.1%	5.2%	5.6%	6.0%	2.8%	2.8%	2.8%
CFO (Rs bn)	1,298	3,192	5,157	3,096	5,598	4,316	6,371	962	4,297	7,467
CFO/ EBITDA	23%	48%	94%	43%	75%	67%	124%	18%	69%	103%

Source: Company, PL

## Outlook & Valuations

RITE is a multi-disciplinary engineering and consultancy company offering end-to-end services across the infrastructure lifecycle, from concept and design to execution and commissioning. The company has entered into several MoUs with domestic and international agencies, which provide a potential pipeline of opportunities, although conversion into executable orders remains to be seen. As an asset-light, services-led business, RITE operates with modest capex requirements, maintains a structurally negative working capital profile, and is expected to deliver a healthy ~17% RoE in FY27E.

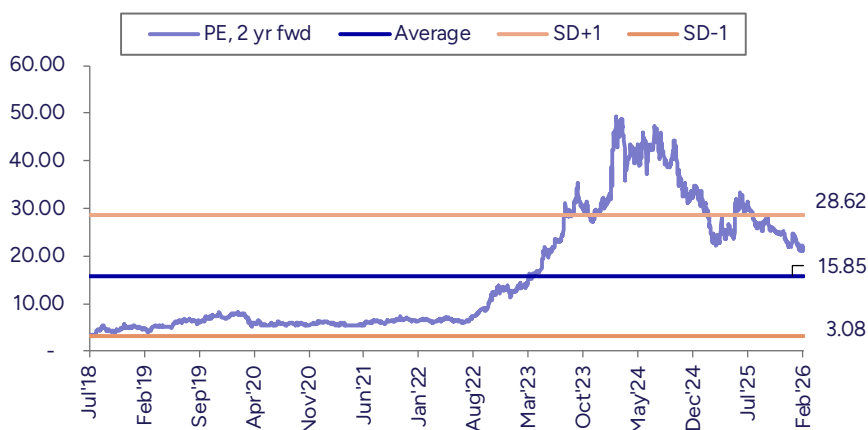
RITE is well placed to deliver steady earnings growth over the medium term, supported by a healthy and young order book, improving execution visibility and a gradual recovery in exports, while the management continues to protect profitability through mix optimization. For FY28E, we estimate EPS of Rs11.0, factoring in double-digit revenue growth and normalized margins closer to the company's target. For valuation, we apply a 25x FY28E P/E, which is justified by RITE's asset-light business model, strong balance sheet and high return profile, and remains below the +1SD of its long-term 2-year forward P/E band, as reflected in the historical valuation chart. This yields a TP of Rs276 per share, implying reasonable upside from current levels, with valuation comfort improving as earnings scale up over the next 2 years. The stock offers dividend yield of 3.5-4%.

**Exhibit 8: TP of RITE, valued at 25x FY28 EPS in base case**

	FY28E
EPS (Rs)	11
PER (x)	25
<b>TP (Rs /sh)</b>	<b>276</b>

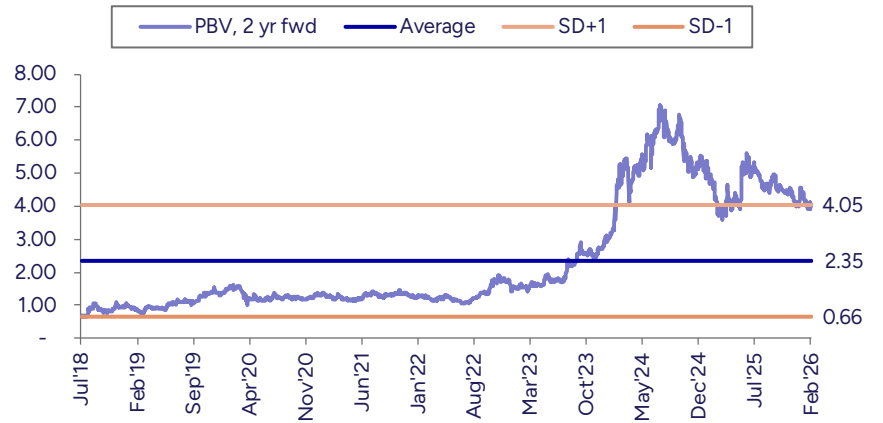
Source: Company, PL

**Exhibit 9: RITE PE below +1SD**



Source: Company, PL

**Exhibit 10: RITE PB band at its upper range**



Source: Company, PL

## Key Risks

- **Margin pressure risk:** Increasing reliance on globally competitive bidding, especially in exports and turnkey projects, has structurally lowered margins and may constrain profitability, despite revenue growth.
- **Order conversion risk:** While RITE has signed multiple MoUs domestically and internationally, delays or weak conversion into executable orders could impact order inflows and medium-term growth visibility.
- **Client concentration risk:** A significant portion of revenue is linked to government entities and the Indian Railways, exposing the company to policy changes, budgetary constraints and execution delays.
- **Execution risk in turnkey projects:** Expansion in low-margin turnkey/EPC projects increases exposure to cost overruns, delays and working capital volatility, which could dilute return ratios.

## Annexure

### RITE: A consultant across multiple sector

- RITES Ltd is a Navratna and Schedule 'A' central public sector enterprise under the Ministry of Railways, incorporated on 26<sup>th</sup> Apr'74. It is a multidisciplinary engineering and consultancy organization, providing a comprehensive range of services from concept to commissioning in all facets of transport infrastructure and related technologies.
- Its earnings come from: expert technical advice, project design and management, construction contracts (turnkey), export and leasing of railway equipment, quality assurance services, and supporting infrastructure in airports, highways, bridges, etc.
- **Consultancy & advisory (57% to FY26E revenue):** This is RITE's core and highest-margin vertical. Under this vertical, RITES provides end-to-end support from feasibility studies, DPR preparation, detailed engineering, supervision, and transaction advisory. The consultancy portfolio spans railways, metros, highways, ports, airports, urban transport and sustainability projects, both domestically and overseas. This segment is asset-light, delivers superior margins and return ratios, and remains the backbone of RITE's profitability.
- **Turnkey / EPC (26%):** The executes infrastructure projects on a lump-sum or item-rate basis, covering civil works, track laying, electrification, stations, depots, signaling and allied railway infrastructure. While margins in this segment are structurally lower than consultancy, turnkey projects provide scale, visibility and cross-selling opportunities for consultancy services. This vertical currently forms the largest share of the order book and is a key driver of revenue growth.
- **Exports of rolling stock & equipment (9%):** RITE exports locomotives, coaches, wagons and railway equipment, primarily to developing countries in Africa, South Asia and Latin America. The scope typically includes supply, commissioning, testing and training. Export orders are lumpy in nature, but tend to be margin-accretive and strategically important, helping diversify revenue beyond the domestic market and strengthening RITE's position as India's railway export arm.
- **Leasing of locomotives & rolling stock (6%):** Under the leasing vertical, RITE owns and leases locomotives and rolling stock to industrial users such as ports, mines, cement plants and logistics operators. This business generates steady annuity-type cash flows with limited execution risk. Though relatively small in size, leasing improves earnings stability and enhances return metrics due to predictable rental income.

### Shareholding

- The Government of India owns 72% of RITE.
- DIIs owns 8.6%, with Nippon and LIC owning 1%+ each.

## Management team led by industry veterans

- **Mr. Rahul Mithal, Chairman & MD:** He is from the Indian Railway Service of Mechanical Engineers 1985 batch. He has an MBA (Finance) from Jamnalal Bajaj Institute of Management Studies, Mumbai, and is a Fellow of the Institution of Mechanical Engineers (UK) and a Chartered Engineer, registered with the Engineering Council (UK). He was the Functional Director on the Board of Container Corporation of India Ltd for 4 years from 29.09.2017 to 06.10.2021, in charge of the Projects & Services wing. He has had a long stint of more than 20 years holding various key positions in the Indian Railways.
- **Dr. Deepak Tripathi, Director Technical:** He is an ex-IRSME officer of 1990 batch. He is a graduate in mechanical engineering with doctorate & post graduation from IIM Mumbai specializing in operations management. During his career spanning 30+ years, including in the Indian Railways & Konkan Railway, he has driven strategic growth and capability building covering a wide business spectrum, including railway operations & maintenance, quality assurance, rolling stock infrastructure & technology projects, and exports & international business.
- **Mr. Krishna Gopal Agarwal, Director – Finance:** He joined the Board of RITE on 01st Aug'23. He has more than 29 years of experience in financial management, financial reporting, strategic business decisions and treasury management. Before appointment as Director – Finance, he was working as General Manager – Finance with RITE since 17th Jun'21. Prior to joining RITE, he had a long stint of more than 26 years holding various key positions in the finance department of Steel Authority of India Ltd at its Bhilai Steel Plant. He worked with Nerolac Paints during initial year of his career.

## Financials

### Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	<b>22,178</b>	<b>23,461</b>	<b>27,361</b>	<b>32,167</b>
YoY gr. (%)	(9.6)	5.8	16.6	17.6
Cost of Goods Sold	-	-	-	-
Gross Profit	22,178	23,461	27,361	32,167
Margin (%)	100.0	100.0	100.0	100.0
Employee Cost	5,034	5,542	5,875	6,235
Other Expenses	1,074	1,173	1,368	1,608
<b>EBITDA</b>	<b>5,150</b>	<b>5,355</b>	<b>6,201</b>	<b>7,274</b>
YoY gr. (%)	(20.0)	4.0	15.8	17.3
Margin (%)	23.2	22.8	22.7	22.6
Depreciation and Amortization	621	657	698	747
<b>EBIT</b>	<b>4,529</b>	<b>4,698</b>	<b>5,503</b>	<b>6,527</b>
Margin (%)	20.4	20.0	20.1	20.3
Net Interest	58	71	71	71
Other Income	1,057	1,055	1,019	1,063
<b>Profit Before Tax</b>	<b>5,528</b>	<b>5,682</b>	<b>6,451</b>	<b>7,519</b>
Margin (%)	24.9	24.2	23.6	23.4
Total Tax	1,414	1,480	1,676	1,948
Effective tax rate (%)	25.6	26.0	26.0	25.9
<b>Profit after tax</b>	<b>4,114</b>	<b>4,202</b>	<b>4,775</b>	<b>5,570</b>
Minority interest	389	389	389	389
Share Profit from Associate	122	122	122	122
<b>Adjusted PAT</b>	<b>3,848</b>	<b>3,936</b>	<b>4,508</b>	<b>5,304</b>
YoY gr. (%)	(15.5)	2.3	14.5	17.7
Margin (%)	17.4	16.8	16.5	16.5
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>3,848</b>	<b>3,936</b>	<b>4,508</b>	<b>5,304</b>
YoY gr. (%)	(15.5)	2.3	14.5	17.7
Margin (%)	17.4	16.8	16.5	16.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,848	3,936	4,508	5,304
<b>Equity Shares O/s (m)</b>	<b>481</b>	<b>481</b>	<b>481</b>	<b>481</b>
<b>EPS (Rs)</b>	<b>8.0</b>	<b>8.2</b>	<b>9.4</b>	<b>11.0</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>10,981</b>	<b>11,638</b>	<b>12,404</b>	<b>13,305</b>
Tangibles	-	-	-	-
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>5,016</b>	<b>5,673</b>	<b>6,372</b>	<b>7,119</b>
Tangibles	-	-	-	-
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>5,965</b>	<b>5,965</b>	<b>6,032</b>	<b>6,186</b>
Tangibles	5,965	5,965	6,032	6,186
Intangibles	-	-	-	-
Capital Work In Progress	476	476	476	476
Goodwill	-	-	-	-
Non-Current Investments	3,850	3,850	3,850	3,850
Net Deferred tax assets	206	206	206	206
Other Non-Current Assets	1,828	1,828	1,828	1,828
<b>Current Assets</b>				
Investments	200	200	200	200
Inventories	781	826	963	1,132
Trade receivables	7,400	7,828	9,129	10,733
Cash & Bank Balance	33,751	31,302	31,497	34,016
Other Current Assets	6,684	3,050	3,557	4,182
<b>Total Assets</b>	<b>61,192</b>	<b>55,582</b>	<b>57,791</b>	<b>62,861</b>
<b>Equity</b>				
Equity Share Capital	4,806	4,806	4,806	4,806
Other Equity	21,596	21,792	22,018	22,283
<b>Total Network</b>	<b>26,402</b>	<b>26,598</b>	<b>26,824</b>	<b>27,089</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	-	-	-	-
Provisions	93	97	102	107
Other non current liabilities	98	103	108	113
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	3,643	3,853	4,494	5,284
Other current liabilities	28,248	21,869	22,634	25,949
<b>Total Equity &amp; Liabilities</b>	<b>61,192</b>	<b>55,582</b>	<b>57,791</b>	<b>62,861</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	5,650	5,805	6,573	7,641
Add. Depreciation	621	657	698	747
Add. Interest	(597)	(984)	(948)	(992)
Less Financial Other Income	1,057	1,055	1,019	1,063
Add. Other	(300)	-	-	-
Op. profit before WC changes	5,374	5,477	6,324	7,397
Net Changes-WC	2,648	(3,035)	(351)	2,019
Direct tax	(1,651)	(1,480)	(1,676)	(1,948)
<b>Net cash from Op. activities</b>	<b>6,371</b>	<b>962</b>	<b>4,297</b>	<b>7,467</b>
Capital expenditures	(1,323)	(657)	(766)	(901)
Interest / Dividend Income	559	1,055	1,019	1,063
Others	(1,431)	-	-	-
<b>Net Cash from Inv. activities</b>	<b>(2,195)</b>	<b>398</b>	<b>253</b>	<b>162</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	-	-	-	-
Dividend paid	(3,557)	(3,739)	(4,283)	(5,039)
Interest paid	(50)	(71)	(71)	(71)
Others	-	-	-	-
<b>Net cash from Fin. activities</b>	<b>(3,607)</b>	<b>(3,810)</b>	<b>(4,354)</b>	<b>(5,110)</b>
<b>Net change in cash</b>	<b>569</b>	<b>(2,449)</b>	<b>195</b>	<b>2,519</b>
Free Cash Flow	5,048	306	3,531	6,566

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Per Share(Rs)</b>				
EPS	8.0	8.2	9.4	11.0
CEPS	9.3	9.6	10.8	12.6
BVPS	54.9	55.3	55.8	56.4
FCF	10.5	0.6	7.3	13.7
DPS	7.6	7.8	8.9	10.5
<b>Return Ratio(%)</b>				
RoCE	17.3	17.7	20.6	24.2
ROIC	(43.7)	(69.5)	(81.7)	(66.6)
RoE	14.7	14.9	16.9	19.7
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(1.3)	(1.2)	(1.2)	(1.3)
Net Working Capital (Days)	75	75	75	75
<b>Valuation(x)</b>				
PER	27.8	27.2	23.7	20.2
P/B	4.1	4.0	4.0	3.9
P/CEPS	23.9	23.3	20.5	17.7
EV/EBITDA	14.2	14.1	12.1	10.0
EV/Sales	3.3	3.2	2.8	2.3
Dividend Yield (%)	3.4	3.5	4.0	4.7

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
<b>Net Revenue</b>	<b>6,154</b>	<b>4,897</b>	<b>5,487</b>	<b>6,086</b>
YoY gr. (%)	(4.3)	0.8	1.5	5.7
Raw Material Expenses	-	-	-	-
Gross Profit	6,154	4,897	5,487	6,086
Margin (%)	100.0	100.0	100.0	100.0
<b>EBITDA</b>	<b>1,856</b>	<b>1,142</b>	<b>1,296</b>	<b>1,422</b>
YoY gr. (%)	5.5	7.9	22.0	21.2
Margin (%)	30.2	23.3	23.6	23.4
Depreciation / Depletion	168	155	171	170
<b>EBIT</b>	<b>1,688</b>	<b>987</b>	<b>1,126</b>	<b>1,252</b>
Margin (%)	27.4	20.1	20.5	20.6
Net Interest	13	14	8	7
Other Income	235	220	303	263
<b>Profit before Tax</b>	<b>1,911</b>	<b>1,192</b>	<b>1,421</b>	<b>1,508</b>
Margin (%)	31.0	24.3	25.9	24.8
Total Tax	534	307	373	390
Effective tax rate (%)	28.0	25.8	26.2	25.8
<b>Profit after Tax</b>	<b>1,376</b>	<b>885</b>	<b>1,048</b>	<b>1,118</b>
Minority interest	-	-	-	-
Share Profit from Associates	37	24	43	33
<b>Adjusted PAT</b>	<b>1,413</b>	<b>909</b>	<b>1,091</b>	<b>1,151</b>
YoY gr. (%)	3.4	0.5	32.2	20.5
Margin (%)	23.0	18.6	19.9	18.9
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>1,413</b>	<b>909</b>	<b>1,091</b>	<b>1,151</b>
YoY gr. (%)	3.4	0.5	32.2	20.5
Margin (%)	23.0	18.6	19.9	18.9
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>1,413</b>	<b>909</b>	<b>1,091</b>	<b>1,151</b>
Avg. Shares O/s (m)	481	481	481	481
<b>EPS (Rs)</b>	<b>2.9</b>	<b>1.9</b>	<b>2.3</b>	<b>-</b>

Source: Company Data, PL Research

**Price Chart**

**Recommendation History**



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
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**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Ashoka Buildcon	BUY	183	153
2	Indian Energy Exchange	Hold	135	127
3	NTPC	BUY	423	356
4	Power Grid Corporation of India	BUY	324	270
5	PSP Projects	BUY	1,028	750

**PL's Recommendation Nomenclature (Absolute Performance)**

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

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