

Rating: HOLD | CMP: Rs419 | TP: Rs436

February 13, 2026

## Q3FY26 Result Update

### Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. bn)	1,434	1,397	1,452	1,509
EBITDA (Rs.bn)	471	416	465	493
Margin (%)	32.8	29.8	32.0	32.7
PAT (Rs. bn)	353	318	328	340
EPS (Rs.)	57.3	51.5	53.3	55.1
Gr. (%)	(5.5)	(10.1)	3.4	3.6
DPS (Rs.)	26.5	26.4	28.8	29.8
Yield (%)	6.3	6.3	6.9	7.1
RoE (%)	38.8	29.9	27.2	25.0
RoCE (%)	38.5	27.3	26.4	24.2
EV/Sales (x)	1.6	1.7	1.6	1.5
EV/EBITDA (x)	5.0	5.7	5.1	4.7
PE (x)	7.3	8.1	7.9	7.6
P/BV (x)	2.6	2.3	2.0	1.8

### Key Data

COAL.BO   COAL IN
52-W High / Low
Sensex / Nifty
Market Cap
Shares Outstanding
3M Avg. Daily Value

### Shareholding Pattern (%)

Promoter's	63.13
Foreign	8.22
Domestic Institution	22.54
Public & Others	6.11
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(3.0)	8.8	16.3
Relative	(2.8)	4.3	5.9

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### Import substitution key to growth

**Coal India Ltd (COAL)** is navigating near-term market share pressures amid flat domestic coal production, with YTDFY26 COAL volumes declining 2% YoY, while captive output continues to gain traction. However, sizable coal imports (~244mt) present a meaningful import-substitution opportunity that could support incremental volumes and stabilize market share over time for COAL (Exhibit 4). Operational performance in Q3FY26 was impacted by lower e-auction realizations and a one-off Rs22bn wage provision. The balance sheet remains strong with cash and including internal accruals, result in a healthy FY26E dividend yield of ~6%. Over the medium term, a Rs800bn capex pipeline focused on core mining expansion, coal gasification and thermal power, positions the company for sustained production growth and diversification. Valued at 5.0x FY28E EBITDA (last 10-year average 5.5x), we arrive at TP of Rs436 per share and 'HOLD' rating, balancing earnings visibility and attractive yield at 6% against recent market share challenges.

**Pressure on COAL's market share:** India's coal production in YTDFY26 remains flat at ~830mt (vs. 831mt YoY), indicating limited overall growth. However, COAL's volumes have declined 2% YoY to 609mt, while captive production has grown 10% YoY, resulting in a gradual erosion of its market share. This divergence suggests that incremental demand is increasingly being met by captive mines rather than COAL. At the same time, coal imports remain sizable at ~244mt (FY25), accounting for a meaningful share of total consumption. If COAL is able to substitute a portion of these imports, it could regain lost market share and drive incremental volume growth. Import substitution thus remains a key strategic lever to arrest the declining share trend.

**Dividend outlook remains healthy:** In 3QFY26, COAL declared its third interim dividend of Rs5.5 per share, taking the cumulative dividend for 9MFY26 to Rs21.3 per share. The company continues to maintain a strong liquidity position, with cash reserves exceeding Rs300bn. Based on our FY26E PAT estimate of Rs301bn and assuming a payout ratio of ~54%, we expect total dividend distribution of around Rs162bn, translating into a projected FY26E DPS of Rs26.4 (vs. Rs26.5 in FY25). At the current price, this implies a healthy dividend yield of ~6%, reinforcing the stock's income visibility supported by cash flows and a net cash balance sheet.

**PAT impacted by one-off:** In 3QFY26, COAL reported offtake volumes of 189mt, down 3% YoY. Revenue declined 5% YoY to Rs349bn, due to weaker e-auction realizations, which fell 12% YoY to Rs2,357/t, while FSA realizations were relatively stable, declining 1% YoY to Rs1,504/t. EBITDA (ex-OBR) dropped 31% YoY, largely impacted by a one-off Rs22bn provision related to salary grade revisions. Reported PAT stood at Rs72bn, down 16% YoY; however, adjusted PAT rose 4% YoY to Rs88bn, supported by higher other income and lower depreciation.

**Strategic capex pipeline for core expansion and diversification:** COAL has outlined a total capex plan of around Rs800bn over the next 4–5 years. Of this, ~Rs200bn per annum will be sustained as regular capex toward land acquisition, plant & machinery, mine development and equipment to support production

growth. In addition, diversification capex includes Rs370–380bn toward coal gasification projects and ~Rs150bn for thermal power generation (Phase I). The company is also evaluating investments in joint ventures (including with DVC), washeries, and critical mineral initiatives. The management indicated that FY25 capex stood at ~Rs195bn, and a similar annual run-rate of ~Rs200bn is expected over the medium term, reflecting a balanced allocation between core mining expansion and strategic downstream diversification.

**Exhibit 1: Financial and operational snapshot**

In Rs mn	Dec-25	Dec-24	% Chg	Sep-25	% Chg	9MFY26	9MFY25	% Chg
<b>Net Sales</b>	<b>3,49,242</b>	<b>3,68,586</b>	<b>(5.2)</b>	<b>3,01,867</b>	<b>15.7</b>	<b>10,09,531</b>	<b>10,50,354</b>	<b>(3.9)</b>
EBIDTA	93,313	1,23,172	(24.2)	67,162	38.9	2,85,688	3,52,729	(19.0)
Other income	23,916	21,432	11.6	21,405	11.7	61,480	55,328	11.1
<b>PBIDT</b>	<b>1,17,229</b>	<b>1,44,604</b>	<b>(18.9)</b>	<b>88,566</b>	<b>32.4</b>	<b>3,47,168</b>	<b>4,08,057</b>	<b>(14.9)</b>
Depreciation	(22,183)	(25,135)	(11.7)	(26,644)	(16.7)	(71,900)	(63,637)	13.0
Interest	(3,207)	(2,255)	42.2	(2,869)	11.8	(8,727)	(6,425)	35.8
Profits from JV	2,888	710	306.8	2,093	38.0	6,423	2,935	118.8
<b>PBT</b>	<b>94,726</b>	<b>1,17,924</b>	<b>(19.7)</b>	<b>61,146</b>	<b>54.9</b>	<b>2,72,963</b>	<b>3,40,930</b>	<b>(19.9)</b>
Tax	(23,066)	(33,012)	(30.1)	(18,519)	24.6	(71,336)	(83,804)	(14.9)
<b>Adjusted PAT</b>	<b>71,660</b>	<b>84,912</b>	<b>(15.6)</b>	<b>42,626</b>	<b>68.1</b>	<b>2,01,628</b>	<b>2,57,126</b>	<b>(21.6)</b>
<b>Reported PAT</b>	<b>71,660</b>	<b>84,912</b>	<b>(15.6)</b>	<b>42,626</b>	<b>68.1</b>	<b>2,01,628</b>	<b>2,57,126</b>	<b>(21.6)</b>
<b>No. of shares (mn)</b>	<b>6,162</b>	<b>6,162</b>		<b>6,162</b>		<b>6,162</b>	<b>6,162</b>	
<i>EBIDTA margin (%)</i>	26.7	33.4		22.2		28.3	33.6	
<b>EPS (Rs)</b>	11.6	13.8	(15.6)	6.9	68.1	32.7	41.7	(21.6)
Volume (in mt)	Dec-25	Dec-24	% Chg	Sep-25	% Chg	9MFY26	9MFY25	% Chg
FSA	165	171	-3.3	147	12.0	478	491	-2.6
E-auction	20	19	1.5	15	27.5	56	58	-2.4
Washed Coal and others	4	4	-14.8	3	9.7	10	12	-16.7
<b>Grand Total</b>	<b>188</b>	<b>194</b>	<b>-3.1</b>	<b>163</b>	<b>15.6</b>	<b>553</b>	<b>574</b>	<b>-3.7</b>
<b>Realisation Rs / t</b>								
FSA	1,504	1,514	-0.6	1,504	0.0	1,520	1,502	1.2
E-auction	2,357	2,671	-11.8	2,315	1.8	2,336	2,514	-7.1
Washed Coal and others	3,402	3,285	3.6	3,384	0.5	3,418	3,761	-9.1
Company Level	1,628	1,666	-2.3	1,647	-1.1	<b>1,615</b>	<b>1,616</b>	0.0
EBITDA Rs / t	496	634	(21.8)	413	20.2	517	614	(15.9)

Source: Company, PL

**Exhibit 2: COAL – Subsidiary-wise dispatch volume**

mt	9MFY26	As %	9MFY25	As %	Change YoY, %
ECL	33.6	5%	34.5	6%	-2%
BCCL	25.8	4%	28.3	5%	-9%
CCL	53.4	9%	62.1	10%	-14%
NCL	102.8	17%	102.0	16%	1%
WCL	43.7	7%	48.5	8%	-10%
SECL	129.3	21%	124.0	20%	4%
MCL	157.1	26%	157.2	25%	0%
NEC	0.2	0%	0.2	0%	-10%
<b>Total</b>	<b>612.2</b>	<b>100%</b>	<b>625.2</b>	<b>100%</b>	<b>-2%</b>

Source: Company, PL

**Exhibit 3: COAL – Subsidiary-wise PAT**

Subsidiary	9MFY26 PAT Rs mn	As %	PAT Rs/t
ECL	-5,710	-3%	(170)
BCCL	1,010	1%	39
CCL	16,860	8%	316
NCL	80,030	40%	779
WCL	10,410	5%	238
SECL	24,590	12%	190
MCL	77,170	38%	491
CMPDIL	4,250	2%	
CIL St (Excl. Dividend)	2,790	1%	
<b>CIL Consolidated</b>	<b>2,01,630</b>	<b>100%</b>	<b>329</b>

*Source: Company, PL*

## COAL – Market share trend & import substitution opportunity

India's coal production remains largely flat in YTDFY26 at ~830mt (vs. 831mt in YTDFY25), indicating stagnation at the aggregate level. However, COAL's volumes have declined to 609mt from 621mt (-2% YoY), while captive coal production has grown 10% YoY to 172mt. This divergence highlights a structural shift in supply dynamics, with captive mines gaining share at the expense of COAL. As a result, COAL's share in total coal consumption has moderated (from ~61% in FY24 to ~60% in FY25, with further pressure visible in YTDFY26), reflecting a gradual erosion in market dominance. Meanwhile, coal imports remain significant at ~244mt in FY25 (-8% YoY), forming nearly one-fifth of India's total coal consumption. This presents a strategic opportunity: if COAL is able to substitute even a portion of the import basket—particularly non-coking coal—it could meaningfully lift both volumes and market share. Import substitution, combined with improved evacuation and production ramp-up, remains a key lever to arrest share decline and drive incremental growth.

**Exhibit 4: India coal stats – COAL losing market share**

mt	FY24	FY25	Change YoY, %	YTDFY26	YTDFY25	Change YoY, %	
<b>Domestic Coal dispatch</b>							
- Coal India	774	781	1%	609	621	-2%	
- SCCL	70	69	-1%	49	54	-9%	
- Captive	154	197	28%	172	156	10%	
All India production	A	998	1,047	5%	830	831	0%
Captive Share in Domestic pro.		15%	19%		21%	19%	
<b>Coal Import</b>							
- Coking	59	58	-2%				
- Non-Coking	206	186	-10%				
Total	B	265	244		-8%		
<b>India coal consumption</b>	<b>A + B</b>	<b>1,262</b>	<b>1,291</b>		<b>2%</b>		
<b>Share in total consumption, %</b>							
- Coal India		61%	60%				
- SCCL		6%	5%				
- Captive		12%	15%				
- Import		21%	19%				

Source: Company, PL, YTD data is till January

**Exhibit 5: COAL operational and financial snapshot**

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e	FY28e
<b>Production (mt)</b>	607	602	596	623	703	774	781	775	798	822
% change YoY	7.0%	-0.8%	-1.0%	4.4%	12.9%	10.0%	1.0%	-0.8%	3.0%	3.0%
<b>Dispatch (mt)</b>	608	581	574	662	695	754	761	749	771	794
% change YoY	4.8%	-4.5%	-1.3%	15.5%	5.0%	8.5%	1.0%	-1.7%	3.0%	3.0%
<b>ASP (INR/t)</b>	1,536	1,534	1,442	1,519	1,829	1,728	1,667	1,666	1,679	1,692
% change YoY	9.1%	-0.1%	-6.0%	5.4%	20.4%	-5.5%	-3.5%	-0.1%	0.8%	0.8%
- FSA (INR/t)	1,357	1,416	1,379	1,407	1,475	1,536	1,514	1,525	1,532	1,540
% change YoY	8.0%	4.3%	-2.6%	2.0%	4.8%	4.2%	-1.4%	0.7%	0.5%	0.5%
- E-Auction (INR/t)	2,632	2,177	1,569	1,879	4,841	3,059	2,541	2,363	2,363	2,363
% change YoY	43.1%	-17.3%	-28.0%	19.8%	157.6%	-36.8%	-16.9%	-7.0%	0.0%	0.0%
E-auction Premium over FSA	93.9%	53.8%	13.7%	33.6%	228.3%	99.1%	67.9%	55.0%	54.2%	53.5%
- Washed Coal (INR/t)	2,713	2,618	2,745	3,346	5,012	4,289	3,741	3,703	3,703	3,703
% change YoY	-10.2%	-3.5%	4.9%	21.9%	49.8%	-14.4%	-12.8%	-1.0%	0.0%	0.0%
<b>Sales Mix</b>										
<b>FSA (mt)</b>	525	501	466	540	621	670	666	652	669	687
Proportion of off-take (%)	86.4%	86.2%	81.3%	81.6%	89.3%	88.9%	87.5%	87.1%	86.8%	86.5%
<b>E-Auction (mt)</b>	68	65	94	111	62	70	79	79	81	83
Proportion of offtake (%)	11.3%	11.3%	16.5%	16.7%	9.0%	9.3%	10.4%	10.5%	10.5%	10.5%
<b>Washed Coal (mt)</b>	11	11	10	7	7	8	16	18	21	24
<b>Other By-products</b>	3	4	3	4	5	6	0	0	0	0
<b>EBITDA Rs/t (ex OBR)</b>	413	475	367	432	593	555	564	489	541	565
<b>EBITDA Margin, (ex OBR)</b>	25%	29%	23%	26%	30%	29%	30%	26%	29%	30%
<b>EBITDA contribution %</b>										
- FSA	28%	32%	36%	27%	4%	40%	35%	33%	36%	36%
- E-auction	38%	27%	16%	27%	57%	26%	21%	20%	19%	18%
- Others by product	7%	11%	10%	9%	11%	9%	8%	11%	11%	12%
- Other Operating Income	27%	30%	37%	37%	28%	25%	35%	36%	34%	34%
<b>Total</b>	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Company, PL

## Outlook & valuations

COAL stands to benefit from the sustained uptick in power demand, particularly from coal-fired thermal power plants, which continue to anchor India's base-load electricity generation. As the dominant player supplying ~75% of India's domestic coal, the company enjoys advantages in scale, logistics integration and long-term linkages with power utilities, providing strong volume visibility.

The management's continued focus on volume growth, supported by steady production ramp-up and improved evacuation infrastructure, is expected to underpin earnings resilience. The company also offers an attractive income profile, with a dividend yield of over 6% (around Rs26 per share), supported by robust operating cash flows and limited leverage. This enhances total shareholder return visibility, especially in a volatile commodity environment.

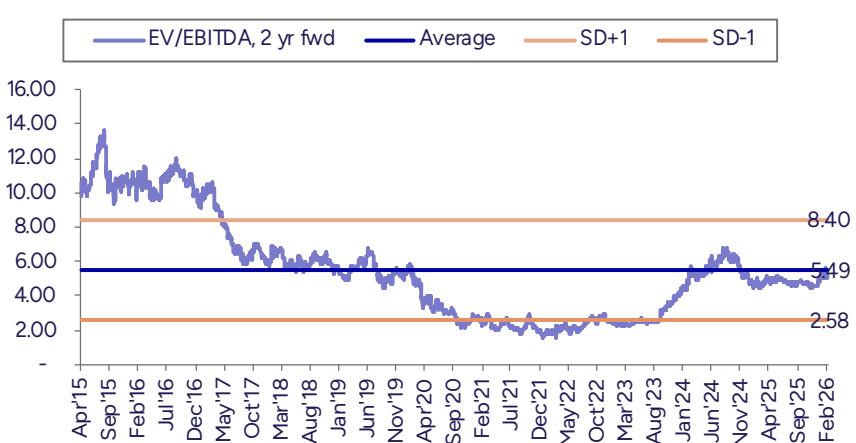
We derive our TP using the EV/EBITDA framework, valuing the company at 5.0x FY28E EBITDA. After adjusting for its net cash position, this results in TP of Rs436 per share with 'HOLD' rating.

### Exhibit 6: COAL TP at Rs436/sh, at 5x FY28E EV/EBITDA

Remarks	Rs mn
FY28E EBITDA	4,92,999
Multiple x	5.0
EV	24,64,996
Previous year Debt	1,69,484
Previous Year Cash	3,93,779
Net cash	(2,24,295)
Mkt Cap	26,89,291
<b>TP Rs/sh</b>	<b>436</b>

Source: Company, PL

### Exhibit 7: COAL EV EBITDA valuation closer to averages



Source: Company, PL

## Key risks

- Structural market-share erosion from captive & commercial mines: Coal supply from captive/commercial miners has increased (Exhibit 3) and is projected at ~320mt by FY30, directly eating into COAL's share.
- Falling e-auction demand / realization risk: E-auction booking ratio declined from ~98% (FY23) to ~63% (FY25), indicating weakening market appetite. Premiums are expected to normalize at 30–40%, vs. extreme 250–300% seen earlier, implying potential earnings moderation.
- Demand-supply imbalance / inventory overhang: Power plants already hold ~56mt of coal stock as on Jan'26 vs. 47mt YoY, which may limit near-term demand growth and pricing power. COAL also aims to liquidate ~25mt of its own stock, signaling potential supply pressure.
- Cost pressures from manpower and wage revision cycle: COAL has a workforce of ~2.2 lakh employees with ~12,000 retirements annually. Wage revisions due in Jun'2026 (non-executive) and Jan'2027 (executive) could push costs up again after a brief decline.
- Increasing mining intensity (stripping ratio risk): Stripping ratio is currently ~2.67 and rising, implying higher overburden removal and potentially higher mining costs going forward.

## Annexure

### COAL: India's largest coal producer

- Coal India Ltd, the state-owned coal mining corporate, came into being in Nov'75. With a modest production of 79mt in its year of inception, COAL today is the single largest coal producer in the world and one of the largest corporate employers with manpower of 2,20,242 (as on 1st Apr'25). Spread across 8 Indian states, COAL operates in 85 mining areas, managing a total of 310 working mines, consisting of 129 underground, 168 opencast, and 13 mixed mines.
- All the coal producing arms of COAL recorded positive growth; 5 of them – BCCL, CCL, NCL, WCL and MCL – have stepped up their respective annual targets for the second consecutive year. Mahanadi Coalfields Ltd (MCL), the Odisha-based COAL subsidiary, has emerged as the country's first coal producing company to have breached 200MT with production at 206.1MT.
- There are 117 coal projects with a sanctioned capacity of 978.90MT and sanctioned capital of Rs1.4trn, which are in different stages of implementation. These projects have contributed to coal production of 521MT in FY24-25. 13 mining projects with sanctioned capacity of 152.17mt and sanctioned capital of Rs453bn were approved by COAL and subsidiary company boards during 2024-25. These projects are expected to augment coal production of COAL.
- COAL is taking an initiative to augment its capacity to beneficiate coking coal, a scarce resource used for production of coke, a major raw material for manufacture of crude steel through blast furnace, to meet the burgeoning demand for the metal till 2030.
- COAL operates 13 coal washeries with a combined operable washing capacity of 39.35MTY. Among these, 10 are dedicated to coking coal, while the remaining 3 handle non-coking coal, with operable capacities of 18.35MTY and 21 MTY, respectively. In FY25, total washed coal production from existing coking coal washeries amounted to ~2.42MT, a 7.07% growth from FY24.
- COAL possesses ~196.97MW of solar capacity across various subsidiaries, resulting in the generation of 120.72mn units for internal consumption. COAL has an ambitious plan of installing 3GW of renewable energy by 2027-28 and 9.5GW by 2029-30, pan India.

### Shareholding (as of Dec'25)

- Promoter (Government of India) owns 63% stake in COAL.
- DILs have 22% stake, with 1%+ held by LIC, PPFAS, and HDFC MF each.

### Management team led by:

**Mr. B Sairam, Chairman-cum-Managing Director (CMD):** Prior to assuming the role of CMD in Dec'25, he held key positions across major COAL subsidiaries, including operational and strategic assignments in large coal-producing companies such as MCL, Northern Coalfields Ltd (NCL) and other group entities,

where he gained extensive experience in production management, project development and organizational leadership.

**Dr. Vinay Ranjan, Director – Human Resources:** He oversees personnel management, industrial relations and workforce strategy across the organization. Over his career, he has served in senior HR leadership roles across COAL and its subsidiary companies, including assignments in major coal-producing subsidiaries such as Central Coalfields Ltd (CCL) and Eastern Coalfields Ltd (ECL), where he handled manpower planning, labor relations and organizational development.

**Mr. Mukesh Agrawal, Director – Finance:** He serves as Director – Finance and Chief Financial Officer of COAL. Over his career, he has held senior finance roles across COAL and its subsidiaries, including finance leadership positions in major coal-producing companies such as Western Coalfields Ltd (WCL), South Eastern Coalfields Ltd (SECL) and other group entities, where he handled financial planning, capital allocation and regulatory compliance.

**Mr. Achyut Ghatak, Director – Technical:** He oversees mining operations, production planning, mine development and technical initiatives across the company. Prior to his board-level role, he held senior technical and operational positions across COAL subsidiaries, including assignments in large mining operations within subsidiaries such as NCL and CCL, where he was involved in mine planning, technology deployment and productivity enhancement initiatives.

**Mr. Ashish Kumar, Director – Business Development:** He is responsible for corporate strategy, diversification initiatives and new business opportunities, including expansion into emerging energy and allied sectors. Over his career, he has held senior managerial and strategic roles across COAL and its subsidiary companies, where he worked on project evaluation, investments and growth initiatives.

**Shri. Mukesh Choudhary, Director – Marketing:** He is responsible for overseeing coal marketing, sales strategy, customer engagement and commercial operations across domestic and institutional markets. Over his career, he has held key commercial and marketing positions across COAL and several of its major subsidiaries, including roles in coal sales, supply logistics and customer management at companies such as WCL, SECL and other group entities.

## Financials

### Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	<b>14,33,689</b>	<b>13,97,220</b>	<b>14,51,977</b>	<b>15,09,328</b>
YoY gr. (%)	0.7	(2.5)	3.9	3.9
Cost of Goods Sold	89,436	87,421	91,872	96,503
Gross Profit	13,44,253	13,09,799	13,60,105	14,12,825
Margin (%)	93.8	93.7	93.7	93.6
Employee Cost	4,62,491	4,90,586	4,74,795	4,81,086
Other Expenses	93,017	85,608	85,314	85,285
<b>EBITDA</b>	<b>4,70,630</b>	<b>4,15,936</b>	<b>4,64,816</b>	<b>4,92,999</b>
YoY gr. (%)	(1.9)	(11.6)	11.8	6.1
Margin (%)	32.8	29.8	32.0	32.7
Depreciation and Amortization	91,455	97,145	1,07,545	1,17,945
<b>EBIT</b>	<b>3,79,175</b>	<b>3,18,791</b>	<b>3,57,271</b>	<b>3,75,055</b>
Margin (%)	26.4	22.8	24.6	24.8
Net Interest	8,837	12,690	17,362	22,034
Other Income	94,701	86,900	89,400	91,900
<b>Profit Before Tax</b>	<b>4,65,039</b>	<b>3,93,002</b>	<b>4,29,310</b>	<b>4,44,920</b>
Margin (%)	32.4	28.1	29.6	29.5
Total Tax	1,16,641	98,919	1,08,057	1,11,986
Effective tax rate (%)	25.1	25.2	25.2	25.2
<b>Profit after tax</b>	<b>3,48,398</b>	<b>2,94,083</b>	<b>3,21,252</b>	<b>3,32,934</b>
Minority interest	-	-	-	-
Share Profit from Associate	4,623	6,934	6,934	6,934
<b>Adjusted PAT</b>	<b>3,53,021</b>	<b>3,17,517</b>	<b>3,28,186</b>	<b>3,39,868</b>
YoY gr. (%)	(5.5)	(10.1)	3.4	3.6
Margin (%)	24.6	22.7	22.6	22.5
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>3,53,021</b>	<b>3,01,017</b>	<b>3,28,186</b>	<b>3,39,868</b>
YoY gr. (%)	(5.5)	(14.7)	9.0	3.6
Margin (%)	24.6	21.5	22.6	22.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,53,021	3,01,017	3,28,186	3,39,868
<b>Equity Shares O/s (m)</b>	<b>6,163</b>	<b>6,163</b>	<b>6,163</b>	<b>6,163</b>
<b>EPS (Rs)</b>	<b>57.3</b>	<b>51.5</b>	<b>53.3</b>	<b>55.1</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>11,49,309</b>	<b>12,79,309</b>	<b>14,09,309</b>	<b>15,39,309</b>
Tangibles	-	-	-	-
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>3,82,911</b>	<b>4,80,056</b>	<b>5,87,600</b>	<b>7,05,545</b>
Tangibles	-	-	-	-
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>7,66,399</b>	<b>7,99,254</b>	<b>8,21,709</b>	<b>8,33,764</b>
Tangibles	7,66,399	7,99,254	8,21,709	8,33,764
Intangibles	-	-	-	-
Capital Work In Progress	2,86,101	3,81,099	4,52,099	5,23,099
Goodwill	-	-	-	-
Non-Current Investments	71,104	71,104	71,104	71,104
Net Deferred tax assets	26,947	26,947	26,947	26,947
Other Non-Current Assets	5,16,442	5,57,758	6,02,378	6,50,568
<b>Current Assets</b>				
Investments	-	-	-	-
Inventories	1,26,137	1,28,257	1,29,659	1,34,884
Trade receivables	1,27,277	1,31,851	1,32,702	1,37,924
Cash & Bank Balance	3,42,153	3,41,890	3,93,779	4,55,549
Other Current Assets	3,09,668	3,12,764	3,15,892	3,19,051
<b>Total Assets</b>	<b>26,01,984</b>	<b>27,80,679</b>	<b>29,76,025</b>	<b>31,82,646</b>
<b>Equity</b>				
Equity Share Capital	61,627	61,627	61,627	61,627
Other Equity	9,29,422	10,67,890	12,18,855	13,75,195
<b>Total Networth</b>	<b>9,91,049</b>	<b>11,29,517</b>	<b>12,80,483</b>	<b>14,36,822</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	89,084	1,29,284	1,69,484	2,09,684
Provisions	-	-	-	-
Other non current liabilities	8,81,203	8,75,212	8,71,544	8,70,517
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	-	-	-	-
Other current liabilities	6,32,190	6,38,209	6,46,057	6,57,165
<b>Total Equity &amp; Liabilities</b>	<b>26,01,984</b>	<b>27,80,679</b>	<b>29,76,025</b>	<b>31,82,646</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	4,69,662	3,01,017	3,28,186	3,39,868
Add. Depreciation	91,455	97,145	1,07,545	1,17,945
Add. Interest	8,780	12,690	17,362	22,034
Less Financial Other Income	94,701	86,900	89,400	91,900
Add. Other	(97,177)	(86,900)	(89,400)	(91,900)
Op. profit before WC changes	4,72,720	3,23,951	3,63,693	3,87,947
Net Changes-WC	(61,921)	(3,772)	2,467	(2,497)
Direct tax	(1,18,802)	-	-	-
<b>Net cash from Op. activities</b>	<b>2,91,997</b>	<b>3,20,180</b>	<b>3,66,160</b>	<b>3,85,450</b>
Capital expenditures	(1,27,500)	(2,24,998)	(2,01,000)	(2,01,000)
Interest / Dividend Income	32,623	-	-	-
Others	(5,886)	45,585	44,779	43,710
<b>Net Cash from Invt. activities</b>	<b>(1,00,764)</b>	<b>(1,79,413)</b>	<b>(1,56,221)</b>	<b>(1,57,290)</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	32,445	40,200	40,200	40,200
Dividend paid	(1,62,385)	(1,62,549)	(1,77,221)	(1,83,529)
Interest paid	(2,252)	(12,690)	(17,362)	(22,034)
Others	(893)	(5,991)	(3,668)	(1,026)
<b>Net cash from Fin. activities</b>	<b>(1,33,085)</b>	<b>(1,41,030)</b>	<b>(1,58,051)</b>	<b>(1,66,389)</b>
<b>Net change in cash</b>	<b>58,148</b>	<b>(263)</b>	<b>51,889</b>	<b>61,770</b>
Free Cash Flow	1,63,961	95,182	1,65,160	1,84,450

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Per Share(Rs)</b>				
EPS	57.3	51.5	53.3	55.1
CEPS	72.1	67.3	70.7	74.3
BVPS	160.8	183.3	207.8	233.1
FCF	26.6	15.4	26.8	29.9
DPS	26.5	26.4	28.8	29.8
<b>Return Ratio(%)</b>				
RoCE	38.5	27.3	26.4	24.2
ROIC	44.2	28.8	27.8	25.7
RoE	38.8	29.9	27.2	25.0
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.3)	(0.2)	(0.2)	(0.2)
Net Working Capital (Days)	-	-	-	-
<b>Valuation(x)</b>				
PER	7.3	8.1	7.9	7.6
P/B	2.6	2.3	2.0	1.8
P/CEPS	5.8	6.2	5.9	5.6
EV/EBITDA	5.0	5.7	5.1	4.7
EV/Sales	1.6	1.7	1.6	1.5
Dividend Yield (%)	6.3	6.3	6.9	7.1

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
<b>Net Revenue</b>	<b>3,78,245</b>	<b>3,58,422</b>	<b>3,01,867</b>	<b>3,49,242</b>
YoY gr. (%)	1.1	(4.4)	(1.6)	(5.2)
Raw Material Expenses	3,772	27,109	36,198	20,931
Gross Profit	3,74,473	3,31,313	2,65,669	3,28,311
Margin (%)	99.0	92.4	88.0	94.0
<b>EBITDA</b>	<b>1,17,901</b>	<b>1,25,214</b>	<b>67,162</b>	<b>93,313</b>
YoY gr. (%)	(4.7)	(12.7)	(22.1)	(24.2)
Margin (%)	31.2	34.9	22.2	26.7
Depreciation / Depletion	27,818	23,072	26,644	22,183
<b>EBIT</b>	<b>90,084</b>	<b>1,02,142</b>	<b>40,517</b>	<b>71,129</b>
Margin (%)	23.8	28.5	13.4	20.4
Net Interest	2,411	2,651	2,869	3,207
Other Income	39,372	16,159	21,405	23,916
<b>Profit before Tax</b>	<b>1,27,045</b>	<b>1,15,649</b>	<b>59,053</b>	<b>91,838</b>
Margin (%)	33.6	32.3	19.6	26.3
Total Tax	32,807	29,750	18,519	23,066
Effective tax rate (%)	25.8	25.7	31.4	25.1
<b>Profit after Tax</b>	<b>94,238</b>	<b>85,900</b>	<b>40,534</b>	<b>68,772</b>
Minority interest	-	-	-	-
Share Profit from Associates	1,687	1,442	2,093	2,888
<b>Adjusted PAT</b>	<b>95,925</b>	<b>87,342</b>	<b>42,626</b>	<b>71,660</b>
YoY gr. (%)	(0.8)	(20.2)	(32.1)	(15.6)
Margin (%)	25.4	24.4	14.1	20.5
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>95,925</b>	<b>87,342</b>	<b>42,626</b>	<b>71,660</b>
YoY gr. (%)	(0.8)	(20.2)	(32.1)	(15.6)
Margin (%)	25.4	24.4	14.1	20.5
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>95,925</b>	<b>87,342</b>	<b>42,626</b>	<b>71,660</b>
Avg. Shares O/s (m)	-	-	-	-
<b>EPS (Rs)</b>	<b>15.6</b>	<b>14.2</b>	<b>6.9</b>	<b>11.6</b>

Source: Company Data, PL Research

Price Chart

Recommendation History



Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	Ashoka Buildcon	BUY	183	153
2	CESC	BUY	204	154
3	Dilip Buildcon	Accumulate	514	454
4	Indian Energy Exchange	Hold	135	127
5	KNR Constructors	Hold	148	152
6	NCC	BUY	200	156
7	NTPC	BUY	423	356
8	PNC Infratech	BUY	291	232
9	Power Grid Corporation of India	BUY	324	270
10	PSP Projects	BUY	1,028	750
11	Rail Vikas Nigam	Sell	183	314
12	RITES	BUY	276	223
13	Tata Power Company	Hold	359	366

**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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