

Apr-Jun'26  
Earnings  
Preview

# Infrastructure

July 07, 2026

Coverage Universe

| Name of the Company         | Rating     | CMP (INR) | TP (INR) |
|-----------------------------|------------|-----------|----------|
| Ahluwalia Contracts (India) | BUY        | 853       | 1,045    |
| Ashoka Buildcon             | Buy        | 131       | 152      |
| Dilip Buildcon              | Accumulate | 430       | 520      |
| H.G. Infra Engineering      | Accumulate | 569       | 670      |
| IRCON International         | Hold       | 134       | 136      |
| KNR Constructions           | HOLD       | 130       | 119      |
| NCC                         | BUY        | 150       | 195      |
| PNC Infratech               | BUY        | 242       | 271      |
| PSP Projects                | BUY        | 1,099     | 1,062    |
| Rail Vikas Nigam            | Sell       | 234       | 165      |
| RITES                       | BUY        | 216       | 275      |

## Earnings recovery underway

### Quick Pointers

- Inflow improved YoY in Q1FY27
- Revenue/EBITDA in Q1FY27 to increase ~6% / ~8% YoY

Order inflow in the infrastructure sector (Exhibit 2) was better in Q1FY27, at INR494bn (vs. INR341bn in Q1FY26), led by road EPC players, with PNC, HG Infra, Ceigall & GR outperforming. T&D contractors led by KEC and Kalpataru sustained the momentum, and RVNL secured a healthy start against its FY27 guidance. Q4FY26 order book continues to provide strong revenue visibility (1.8–5.1x), supporting execution into FY27. Financial performance of our coverage universe is expected to improve for Q1FY27, with revenue/EBITDA growth of ~6%/8% YoY. Stock wise, PSP, PNC, Ahluwalia and Ashoka are likely to deliver strong revenue growth. HG Infra, KNR and IRCON are expected to see weak revenue on YoY basis. NCC has secured orders worth INR 40.7 bn in Q1FY27, and its robust order book (INR 723 bn; 3.9x visibility) offers strong multi-year growth visibility. Top picks: NCC, Ahluwalia & PNC

**Industry order inflow improves:** Order inflow was better in Q1FY27, with the industry reporting (Exhibit 2) inflow of INR494bn (vs. INR341bn YoY), led by road players. In road EPC, Ceigall (INR28bn; 51% of FY27 guidance achieved) and HG Infra (INR45bn; ~39% achieved) outperformed, while GR Infra (INR62bn; ~30% achieved), PNC (28% achieved), KNR (~17% achieved) and Ashoka Buildcon (~12% achieved) lagged. Building EPC inflow was absent, with Ahluwalia Contracts, PSP Projects and Capacite yet to report inflow against their FY27 guidance. Among diversified players, JKumar (INR41bn; ~43% achieved) outperformed, while Afcons (INR57bn; 19% achieved) and Dilip Buildcon (~3% achieved) remained subdued. T&D contractors saw sustained momentum with INR125bn inflow led by KEC (INR66bn) and Kalpataru (INR50bn). In railways, RVNL secured INR52bn (17% of its INR300bn guidance), while IRCON's and RITES' inflow was negligible, highlighting a slow start to FY27 across road and rail EPC, cushioned by T&D strength.

**Order book continues to provide strong visibility:** Q4FY26 order book provides strong revenue visibility (1.8–5.1x), supporting execution momentum into FY27. Among diversified names, NCC's large order book (INR723bn; 3.9x) offers robust multi-year visibility, while HG Infra (1.8x) had the weakest order book growth, underscoring the need for order replenishment. In railways, RVNL (INR992bn; 4.8x) and RITES (3.8x) provide strong visibility, while IRCON (2.7x) provides moderate visibility.

**Financial performance – Earnings recovery underway:** Q1FY27 performance across the infra universe is expected to improve, with revenue growing ~6.2% YoY and EBITDA up 8.4% YoY (margin at 8.5%, +17bps YoY). Among key names, PSP Projects (+30% revenue, +90.8% EBITDA), RVNL (+10% revenue, +80.5% PAT on a low base), AHLU, ASBL and PNC are expected to see strong YoY growth, while NCC, Dilip Buildcon and RITES are likely to report moderate growth. HG Infra (-5% revenue, PAT -13%), KNR Constructions (-5% revenue, PAT -28% with -358bps margin compression) and IRCON (EBITDA -26% YoY) are likely to see major weakness in Q1 financials.

**Exhibit 1: Q1FY27 Result Preview (INR mn)**

| Company Name                |            | Q1FY27E | Q1FY26 | YoY gr. (%) | Q4FY26 | QoQ gr. (%) | Remark  |
|-----------------------------|------------|---------|--------|-------------|--------|-------------|---|
| Ahluwalia Contracts (India) | Sales      | 11,054  | 10,049 | 10.0        | 13,223 | (16.4)      |   |
|                             | EBITDA     | 940     | 863    | 8.9         | 1,236  | (24.0)      | For Q1FY27, we expect Revenue and EBITDA to grow 10% and 8.9% YoY, respectively. Expected EBITDA Margin is 9%.  |
|                             | Margin (%) | 8.5     | 8.6    | -9 bps      | 9.3    | -85 bps     |   |
|                             | PBT        | 758     | 695    | 9.2         | 1,080  | (29.8)      | For FY27, the company has guided for 10-15% revenue growth; EBITDA margins of 10-10.5%, and order inflows of INR 80bn   |
|                             | Adj. PAT   | 563     | 511    | 10.1        | 801    | (29.8)      |   |
| Ashoka Buildcon             | Sales      | 14,417  | 13,106 | 10.0        | 17,719 | (18.6)      | For Q1FY27, we expect Revenue and EBITDA to grow 10% and 5% YoY, respectively. Expected EBITDA Margin is 8.9%. For FY27, ASBL has guided a 15-20% revenue growth; EBITDA margins of 9.5-10.5%. PAT gr. is higher due to lower interest cost, higher tax rate in base quarter                      |
|                             | EBITDA     | 1,283   | 1,222  | 5.0         | 1,215  | 5.6         |   |
|                             | Margin (%) | 8.9     | 9.3    | -43 bps     | 6.9    | 204 bps     |   |
|                             | PBT        | 591     | 433    | 36.5        | 753    | (21.5)      | INR 80-100 bn order inflow is guided by the company, of which they have secured INR 10.8 bn in Q1FY27 (As per BSE)  |
|                             | Adj. PAT   | 443     | 306    | 44.9        | 488    | (9.2)       |   |
| Dilip Buildcon              | Sales      | 21,104  | 20,099 | 5.0         | 18,602 | 13.4        | We expect Revenue and EBITDA to grow 5% and 3.9% YoY, respectively. Expected EBITDA Margin is 10%. Management has guided for a 30-40% revenue growth in FY27; EBITDA margins of 11-12%, supported by execution ramp-up across EPC, mining and new energy verticals                                |
|                             | EBITDA     | 2,110   | 2,031  | 3.9         | 1,995  | 5.8         |   |
|                             | Margin (%) | 10.0    | 10.1   | -11 bps     | 10.7   | -72 bps     |   |
|                             | PBT        | 640     | 575    | 11.4        | 864    | (25.8)      | DBL has guided for maintaining a selective annual order inflow of Rs 100-120bn, for the year of which they have secured INR 2.68 bn in Q1FY27   |
|                             | Adj. PAT   | 477     | 453    | 5.3         | 658    | (27.5)      |   |
| H.G. Infra Engineering      | Sales      | 16,238  | 17,092 | (5.0)       | 13,539 | 19.9        | For Q1FY27, we expect Revenue and EBITDA to de-grow by 5% and 7% YoY, respectively. Expected EBITDA Margin is 13.5%. Guidance for FY27 is: revenue of ~INR 65 bn (+14% YoY) and EBITDA margins of ~14%.   |
|                             | EBITDA     | 2,192   | 2,357  | (7.0)       | 1,269  | 72.8        |   |
|                             | Margin (%) | 13.5    | 13.8   | -29 bps     | 9.4    | 413 bps     |   |
|                             | PBT        | 1,454   | 1,674  | (13.1)      | 488    | 198.2       | They have already secured orders worth INR 44 bn (As per BSE) out of the guided INR 110-120 bn  |
|                             | Adj. PAT   | 1,091   | 1,255  | (13.1)      | 995    | 9.6         |   |
| IRCON International         | Sales      | 16,808  | 16,642 | 1.0         | 29,978 | (43.9)      | Management guided for FY27E revenue to remain broadly stable at FY26 levels (~INR85-90bn), while maintaining standalone EBITDA margins of 4-4.5%. For Q1FY27 we expect a 1%/-26.3% YoY growth/dip in revenue /EBITDA respectively. Expected EBITDA Margin is 4.5%.                                |
|                             | EBITDA     | 756     | 1,026  | (26.3)      | 1,314  | (42.4)      |   |
|                             | Margin (%) | 4.5     | 6.2    | -167 bps    | 4.4    | 12 bps      |   |
|                             | PBT        | 1,639   | 1,946  | (15.7)      | 2,457  | (33.3)      | As per BSE, they have secured orders worth ~INR 2 bn in Q1FY27.   |
|                             | Adj. PAT   | 1,271   | 1,506  | (15.6)      | 1,920  | (33.8)      |   |
| KNR Constructions           | Sales      | 4,592   | 4,833  | (5.0)       | 5,353  | (14.2)      | Management refrained from providing formal FY27 revenue guidance but indicated a standalone revenue target of over INR 20bn. EBITDA margins are expected to remain subdued at 10-11%. We expect revenue/ EBITDA growth/dip of 10.8%/ -30% in Q1FY27 respectively. Expected EBITDA Margin is 8.6%. |
|                             | EBITDA     | 459     | 656    | (30.0)      | 283    | 62.2        |   |
|                             | Margin (%) | 10.0    | 13.6   | -358 bps    | 5.3    | 471 bps     |   |
|                             | PBT        | 492     | 689    | (28.7)      | 403    | 22.1        | Management had guided for a INR 100-120 bn order book for FY27 (in Q3FY26). They have secured ~INR 19.4 bn in Q1FY27 (as per BSE)   |
|                             | Adj. PAT   | 369     | 513    | (28.1)      | 192    | 91.8        |   |
| NCC                         | Sales      | 45,971  | 43,782 | 5.0         | 53,157 | (13.5)      | Management refrained from providing FY27 guidance, citing geopolitical uncertainties or possibility of government austerity measures. We expect revenue/ EBITDA growth of 5%/4.8% in Q1FY27. Expected EBITDA Margin is 9%.  |
|                             | EBITDA     | 4,137   | 3,949  | 4.8         | 4,488  | (7.8)       |   |
|                             | Margin (%) | 9.0     | 9.0    | -2 bps      | 8.4    | 56 bps      |   |
|                             | PBT        | 2,627   | 2,408  | 9.1         | 2,801  | (6.2)       | For Q1, Company as secured orders worth INR 40.7 bn (as per BSE)  |
|                             | Adj. PAT   | 1,970   | 1,901  | 3.6         | 2,029  | (2.9)       |   |
| PNC Infratech               | Sales      | 12,501  | 11,365 | 10.0        | 14,576 | (14.2)      | • Management has guided for 30% revenue growth in FY27. We expect revenue/ EBITDA to grow/dip by 10%/ -5.4% in Q1FY27 respectively. Expected EBITDA Margin is 12%.  |
|                             | EBITDA     | 1,500   | 1,405  | 6.8         | 1,752  | (14.4)      |   |
|                             | Margin (%) | 12.0    | 12.4   | -36 bps     | 12.0   | -2 bps      |   |
|                             | PBT        | 1,222   | 1,100  | 11.1        | 1,382  | (11.6)      | • Order inflow momentum improved with ~INR 42 bn L1 in Q1FY27 and guidance of ~INR110bn additional inflows in FY27.   |
|                             | Adj. PAT   | 892     | 807    | 10.5        | 1,004  | (11.2)      |   |
| PSP Projects                | Sales      | 6,666   | 5,128  | 30.0        | 10,118 | (34.1)      | We expect revenue/ EBITDA growth of 30%/90.8% in Q1FY27. Management's FY27 revenue guidance is at INR 45,000 Mn (up 50% YoY) and EBITDA margin guidance at 7-8%. We have modelled EBITDA Margin 7% in Q1FY27.   |
|                             | EBITDA     | 467     | 245    | 90.8        | 550    | (15.2)      |   |
|                             | Margin (%) | 7.0     | 4.8    | 223 bps     | 5.4    | 156 bps     |   |
|                             | PBT        | 224     | 4      | 5,354.6     | 265    | (15.3)      | Order inflow guidance is at INR 65 bn for the year.   |
|                             | Adj. PAT   | 170     | 2      | 8,899.7     | 212    | (19.5)      |   |

| Company Name     | Q1FY27E    | Q1FY26 | YoY gr. (%) | Q4FY26   | QoQ gr. (%) | Remark |
|------------------|------------|--------|-------------|----------|-------------|--------|
| RITES            | Sales      | 5,265  | 4,897       | 7.5      | 7,683       | (31.5) |
|                  | EBITDA     | 1,158  | 1,142       | 1.5      | 1,682       | (31.1) |
|                  | Margin (%) | 22.0   | 23.3        | -131 bps | 21.9        | 11 bps |
|                  | PBT        | 1,224  | 1,192       | 2.7      | 1,817       | (32.6) |
|                  | Adj. PAT   | 936    | 909         | 3.0      | 1,394       | (32.8) |
| Rail Vikas Nigam | Sales      | 42,996 | 39,088      | 10.0     | 66,959      | (35.8) |
|                  | EBITDA     | 1,720  | 529         | 225.2    | 2,685       | (36.0) |
|                  | Margin (%) | 4.0    | 1.4         | 265 bps  | 4.0         | -1 bps |
|                  | PBT        | 2,336  | 1,640       | 42.4     | 2,463       | (5.2)  |
|                  | Adj. PAT   | 2,425  | 1,344       | 80.5     | 1,817       | 33.5   |

Source: Company, PL

### Exhibit 2: Order inflow across industry

|   | Q1FY26     | Q2FY26     | Q3FY26     | Q4FY26     | FY26        | Q1FY27     |
|---|------------|------------|------------|------------|-------------|------------|
| <b>Road contractor &amp; Others</b>         | <b>100</b> | <b>111</b> | <b>65</b>  | <b>159</b> | <b>435</b>  | <b>207</b> |
| GR Infra                                    | 21         | 29         | 12         | 87         | 149         | 62         |
| PNC Infratech                               | 4          | 40         | 3          | 0          | 47          | 42         |
| HG Infra Engineering                        | 11         | 4          | 11         | -21        | 5           | 45         |
| KNR Constructions                           | 37         | 4          | 12         | 4          | 57          | 19         |
| Ashoka Buildcon                             | 23         | 3          | 10         | 24         | 60          | 11         |
| Ceigall                                     | 3          | 30         | 16         | 66         | 116         | 28         |
| <b>Building contractors &amp; others</b>    | <b>29</b>  | <b>83</b>  | <b>27</b>  | <b>100</b> | <b>239</b>  | <b>0</b>   |
| Ahluwalia Contracts                         | 18         | 27         | 17         | 37         | 99          | 0          |
| Capacite Infra                              | 13         | 16         | 10         | 10         | 49          | 0          |
| PSP Projects                                | -2         | 41         | 1          | 53         | 92          | NA         |
| <b>Diversified contractors &amp; others</b> | <b>113</b> | <b>195</b> | <b>319</b> | <b>192</b> | <b>820</b>  | <b>107</b> |
| Afcons                                      | 11         | 2          | 14         | 15         | 41          | 57         |
| NCC   | 37         | 62         | 124        | 96         | 319         | 41         |
| CemIndia Projects                           | 29         | 33         | 35         | 51         | 149         | NA         |
| Dilip Buildcon                              | 8          | 63         | 125        | 13         | 209         | 3          |
| Hindustan constructions company             | 4          | 29         | 9          | 8          | 51          | 0          |
| J Kumar                                     | 2          | 6          | 4          | 9          | 20          | 41         |
| Patel engineering                           | 23         | 1          | 8          | 0          | 31          | 1          |
| <b>T&amp;D contractors &amp; others</b>     | <b>172</b> | <b>182</b> | <b>94</b>  | <b>159</b> | <b>607</b>  | <b>125</b> |
| KEC International                           | 55         | 105        | 32         | 60         | 253         | 66         |
| Kalpataru Projects International            | 99         | 51         | 45         | 69         | 264         | 50         |
| Jyoti Structure                             | 0          | 6          | 3          | 1          | 10          | 1          |
| TransRail Lightning                         | 17         | 20         | 14         | 29         | 80          | 9          |
| Bajel Projects                              | 12         | 4          | 8          | 13         | 37          | 13         |
| <b>Rail contractors &amp; others</b>        | <b>-72</b> | <b>175</b> | <b>44</b>  | <b>241</b> | <b>387</b>  | <b>56</b>  |
| RVNL  | -99        | 119        | 17         | 190        | 227         | 52         |
| Ircon                                       | 23         | 47         | 19         | 42         | 131         | 2          |
| RITES                                       | 4          | 8          | 8          | 9          | 30          | 2          |
| <b>Total</b>                                | <b>341</b> | <b>747</b> | <b>549</b> | <b>852</b> | <b>2489</b> | <b>494</b> |

Source: Company, PL

**Exhibit 3: Order Book Status**

| Stock                                    | 4QFY26 Order book |              | Geography                      | Major Segment  |
|--|-------------------|--------------|--------------------------------|--|
|  | INR bn            | Visibility x |                                |  |
| <b>Road Contractors &amp; Others</b>     |                   |              |                                |  |
| G R Infraprojects                        | 265               | 3.4          | North                          | Roads, Tunnel, transmission ,Railways & Metro                  |
| PNC Infratech                            | 181               | 3.6          | North                          | Roads, Water & Irrigation, Solar BESS                          |
| HG Infra Engineering                     | 101               | 1.8          | North, Sout & East             | Roads , Railways, Solar  |
| KNR Construction                         | 86                | 3.3          | South                          | Roads, Irrigation , water                                      |
| Ashoka Buildcon                          | 153               | 2.6          | Across India                   | Roads, Power T&D, Railways, Building                           |
| Ceigal                                   | 185               | 4.8          | Across India                   | Roads, Railways, Tunnels, Industrial Infra                     |
| <b>Building Contractors &amp; Others</b> |                   |              |                                |  |
| Ahluwalia Contracts                      | 210               | 4.0          | West, North, East              | Building, Hospitals  |
| PSP Projects                             | 134               | 3.5          | West                           | Building, Hospitals  |
| Capacite Infra                           | 135               | 5.1          | Across India                   | Buildings  |
| <b>Diversified Order Book, Building</b>  |                   |              |                                |  |
| Larsen & Toubro                          | 7400              | 3.0          | Across India and International | Building, Metro, Airports, Marine, Hydro / Tunnel, Oil & Gas   |
| NCC                                      | 723               | 3.9          | Across India                   | Building, Transportation, Water, Rail, T&D, mining, Irrigation |
| Dilip Buildcon                           | 288               | 3.4          | Across India                   | Roads, Irrigation, water , metro, railway, mining              |
| Cemi India                               | 186               | 2.6          | Across India                   | Metro, Ports, Bridges, Highways, Marine                        |
| J.Kumar Infra                            | 186               | 3.0          | West, North                    | Metro, Flyovers, Bridges, Roads, Civil                         |
| Welspun Enterprises                      | 197               | 4.5          | West, North & South            | Roads & Water  |
| Afcons                                   | 325               | 2.5          | Across India and International | Metro, Airports, Marine, Hydro / Tunnel, Oil Gas               |
| Patel Engineering                        | 151               | 3.1          | West, North                    | Hydro, Tunnel, Water   |
| <b>Rail Contractors &amp; Others</b>     |                   |              |                                |  |
| RVNL                                     | 992               | 4.8          | Across India                   | Railway EPC, Tunnel, Electrification                           |
| IRCON                                    | 249               | 2.7          | Across India                   | Railway EPC, Tunnel, Electrification, Signalling               |
| RITES                                    | 94                | 3.8          | Across India                   | Railway EPC, Consultancy, Leasing, Turnkey                     |

Source: Company, PL

**Exhibit 4: Valuation Summary**

| Company Name                | C/S | Rating     | CMP (INR) | TP (INR) | Mcap (INR bn) | Sales (INR mn) |          |          |          | EBITDA (INR mn) |        |        |        | Adj. PAT (INR mn) |       |       |        | EPS (Rs) |      |       |       | RoE (%) |      |       |       | PE (x) |      |       |       |
|-----------------------------|-----|------------|-----------|----------|---------------|----------------|----------|----------|----------|-----------------|--------|--------|--------|-------------------|-------|-------|--------|----------|------|-------|-------|---------|------|-------|-------|--------|------|-------|-------|
|                             |     |            |           |          |               | FY25           | FY26     | FY27E    | FY28E    | FY25            | FY26   | FY27E  | FY28E  | FY25              | FY26  | FY27E | FY28E  | FY25     | FY26 | FY27E | FY28E | FY25    | FY26 | FY27E | FY28E | FY25   | FY26 | FY27E | FY28E |
| Ahluwalia Contracts (India) | S   | BUY        | 853       | 1,045    | 57.1          | 40,986         | 45,652   | 53,957   | 64,861   | 3,418           | 4,345  | 5,291  | 6,624  | 2,015             | 2,644 | 3,143 | 3,890  | 30.1     | 39.5 | 46.9  | 58.1  | 11.8    | 13.7 | 14.2  | 15.2  | 28.3   | 21.6 | 18.2  | 14.7  |
| Ashoka Buildcon             | S   | BUY        | 131       | 152      | 36.8          | 70,614         | 58,117   | 66,607   | 78,605   | 5,469           | 4,956  | 5,995  | 7,271  | 1,970             | 1,555 | 2,746 | 4,022  | 7.0      | 5.5  | 9.8   | 14.3  | 5.0     | 3.7  | 6.1   | 8.4   | 18.7   | 23.7 | 13.4  | 9.2   |
| Dilip Buildcon              | S   | Accumulate | 430       | 520      | 69.9          | 90,045         | 70,050   | 89,541   | 1,15,861 | 9,033           | 7,344  | 8,954  | 11,586 | 1,546             | 2,097 | 3,038 | 5,308  | 10.6     | 12.9 | 18.7  | 32.7  | 2.9     | 3.4  | 4.4   | 7.2   | 40.7   | 33.3 | 23.0  | 13.2  |
| H.G. Infra Engineering      | S   | Accumulate | 569       | 670      | 37.1          | 60,519         | 56,667   | 60,883   | 69,271   | 9,507           | 7,334  | 7,556  | 8,331  | 5,337             | 3,891 | 3,302 | 3,946  | 81.9     | 59.7 | 50.7  | 60.5  | 20.5    | 12.7 | 9.7   | 10.5  | 7.0    | 9.5  | 11.2  | 9.4   |
| IRCON International         | S   | HOLD       | 134       | 136      | 126.3         | 1,01,931       | 84,789   | 87,444   | 1,00,326 | 4,792           | 3,528  | 3,791  | 4,573  | 7,376             | 6,185 | 6,554 | 7,224  | 7.8      | 6.6  | 7.0   | 7.7   | 12.3    | 9.6  | 9.5   | 9.8   | 17.1   | 20.4 | 19.3  | 17.5  |
| KNR Constructions           | S   | HOLD       | 130       | 119      | 36.5          | 33,586         | 20,967   | 20,602   | 25,106   | 6,259           | 1,782  | 2,163  | 2,887  | 3,275             | 1,162 | 1,524 | 2,027  | 11.6     | 4.1  | 5.4   | 7.2   | 9.1     | 2.9  | 3.7   | 4.7   | 11.1   | 31.4 | 23.9  | 18.0  |
| NCC                         | S   | BUY        | 150       | 195      | 94.4          | 1,92,053       | 1,74,635 | 1,93,251 | 2,22,468 | 17,456          | 14,483 | 15,987 | 19,236 | 7,611             | 5,768 | 6,076 | 8,160  | 12.1     | 9.2  | 9.7   | 13.0  | 10.7    | 7.7  | 7.8   | 9.7   | 12.4   | 16.4 | 15.5  | 11.6  |
| PNC Infratech               | S   | BUY        | 242       | 271      | 62.2          | 55,131         | 46,335   | 56,091   | 71,952   | 10,489          | 5,829  | 6,614  | 8,790  | 3,823             | 3,396 | 3,924 | 5,084  | 14.9     | 13.2 | 15.3  | 19.8  | 7.5     | 6.0  | 6.5   | 7.9   | 16.3   | 18.3 | 15.8  | 12.2  |
| PSP Projects                | S   | BUY        | 1,099     | 1,062    | 43.6          | 24,683         | 29,895   | 43,412   | 53,916   | 1,781           | 1,795  | 3,292  | 4,103  | 565               | 523   | 1,545 | 2,105  | 14.2     | 13.2 | 39.0  | 53.1  | 5.3     | 4.2  | 11.5  | 13.8  | 77.2   | 83.3 | 28.2  | 20.7  |
| ITES                        | C   | BUY        | 216       | 275      | 103.9         | 22,178         | 24,151   | 27,669   | 32,305   | 5,150           | 5,541  | 6,095  | 7,192  | 3,848             | 4,156 | 4,487 | 5,280  | 8.0      | 8.6  | 9.3   | 11.0  | 14.7    | 15.6 | 16.6  | 19.3  | 27.0   | 25.0 | 23.1  | 19.7  |
| Rail Vikas Nigam            | C   | Sell       | 234       | 165      | 487.6         | 1,99,230       | 2,04,121 | 2,35,327 | 2,65,540 | 11,251          | 7,675  | 9,870  | 11,262 | 12,815            | 8,707 | 9,951 | 11,554 | 6.1      | 4.2  | 4.8   | 5.5   | 14.0    | 9.0  | 9.8   | 10.6  | 38.0   | 56.0 | 49.0  | 42.2  |

Source: Company, PL C=Consolidated / S=Standalone

## Exhibit 5: Change in Estimates

|                             | Rating     |            | Target Price |     |         | Sales (INR mn) |          |         |          |          |         | PAT (INR mn) |       |         |        |        |         | EPS (INR) |      |         |       |      |       |
|-----------------------------|------------|------------|--------------|-----|---------|----------------|----------|---------|----------|----------|---------|--------------|-------|---------|--------|--------|---------|-----------|------|---------|-------|------|-------|
|                             |            |            |              |     |         | FY27E          |          |         | FY28E    |          |         | FY27E        |       |         | FY28E  |        |         | FY27E     |      |         | FY28E |      |       |
|                             | C          | P          | C            | P   | % Chng. | C              | P        | % Chng. | C        | P        | % Chng. | C            | P     | % Chng. | C      | P      | % Chng. | C         | P    | % Chng. |       |      |       |
| Ahluwalia Contracts (India) | BUY        | BUY        | 1,045        | 929 | 12.5%   | 53,957         | 53,957   | 0.0%    | 64,861   | 64,861   | 0.0%    | 3,143        | 3,143 | 0.0%    | 3,890  | 3,890  | 0.0%    | 46.9      | 46.9 | 0.0%    | 58.1  | 58.1 | 0.0%  |
| Ashoka Buildcon             | BUY        | BUY        | 152          | 152 | 0.0%    | 66,607         | 66,607   | 0.0%    | 78,605   | 78,605   | 0.0%    | 2,746        | 2,746 | 0.0%    | 4,022  | 4,022  | 0.0%    | 9.8       | 9.8  | 0.0%    | 14.3  | 14.3 | 0.0%  |
| Dilip Buildcon              | Accumulate | Accumulate | 520          | 520 | 0.1%    | 89,541         | 89,541   | 0.0%    | 1,15,861 | 1,15,861 | 0.0%    | 3,038        | 3,038 | 0.0%    | 5,308  | 5,308  | 0.0%    | 18.7      | 18.7 | 0.0%    | 32.7  | 32.7 | 0.0%  |
| H.G. Infra Engineering      | Accumulate | Accumulate | 670          | 670 | 0.0%    | 60,883         | 60,883   | 0.0%    | 69,271   | 69,271   | 0.0%    | 3,302        | 3,302 | 0.0%    | 3,946  | 3,946  | 0.0%    | 50.7      | 50.7 | 0.0%    | 60.5  | 60.5 | 0.0%  |
| IRCON International         | HOLD       | HOLD       | 136          | 136 | 0.0%    | 87,444         | 87,444   | 0.0%    | 1,00,326 | 1,00,326 | 0.0%    | 6,554        | 6,554 | 0.0%    | 7,224  | 7,224  | 0.0%    | 7.0       | 7.0  | 0.0%    | 7.7   | 7.7  | 0.0%  |
| KNR Constructions           | HOLD       | HOLD       | 119          | 119 | 0.0%    | 20,602         | 20,602   | 0.0%    | 25,106   | 25,106   | 0.0%    | 1,524        | 1,524 | 0.0%    | 2,027  | 2,027  | 0.0%    | 5.4       | 5.4  | 0.0%    | 7.2   | 7.2  | 0.0%  |
| NCC                         | BUY        | BUY        | 195          | 195 | -0.1%   | 1,93,251       | 1,93,251 | 0.0%    | 2,22,468 | 2,21,563 | 0.4%    | 6,076        | 6,113 | -0.6%   | 8,160  | 8,171  | -0.1%   | 9.7       | 9.7  | -0.6%   | 13.0  | 13.0 | -0.1% |
| PNC Infratech               | BUY        | BUY        | 271          | 253 | 7.3%    | 56,091         | 56,091   | 0.0%    | 71,952   | 71,952   | 0.0%    | 3,924        | 3,924 | 0.0%    | 5,084  | 5,084  | 0.0%    | 15.3      | 15.3 | 0.0%    | 19.8  | 19.8 | 0.0%  |
| PSP Projects                | BUY        | BUY        | 1,062        | 956 | 11.1%   | 43,412         | 43,412   | 0.0%    | 53,916   | 53,916   | 0.0%    | 1,545        | 1,545 | 0.0%    | 2,105  | 2,105  | 0.0%    | 39.0      | 39.0 | 0.0%    | 53.1  | 53.1 | 0.0%  |
| BITES                       | BUY        | BUY        | 275          | 275 | 0.0%    | 27,669         | 27,668   | 0.0%    | 32,305   | 32,304   | 0.0%    | 4,487        | 4,487 | 0.0%    | 5,280  | 5,280  | 0.0%    | 9.3       | 9.3  | 0.0%    | 11.0  | 11.0 | 0.0%  |
| Rail Vikas Nigam            | Sell       | Sell       | 165          | 165 | 0.0%    | 2,35,327       | 2,35,327 | 0.0%    | 2,65,540 | 2,65,540 | 0.0%    | 9,951        | 9,951 | 0.0%    | 11,554 | 11,554 | 0.0%    | 4.8       | 4.8  | 0.0%    | 5.5   | 5.5  | 0.0%  |

Source: Company, PL C = Current / P = Previous

## Exhibit 6: Stock Performance

|   | MCap<br>(INR<br>bn) | CMP<br>(INR) | Performance (%) |     |        |        | Relative to BSE 500 (%) |     |        |        |
|---|---------------------|--------------|-----------------|-----|--------|--------|-------------------------|-----|--------|--------|
|   |                     |              | 1M              | 12M | 3 Year | 5 Year | 1M                      | 12M | 3 Year | 5 Year |
| <b>Road Contractor +</b>                    |                     |              |                 |     |        |        |                         |     |        |        |
| PNC   | 62                  | 241          | 15              | -21 | -32    | -21    | 11                      | -20 | -70    | -90    |
| HG Infra                                    | 37                  | 567          | 3               | -47 | -36    | 37     | -2                      | -12 | 33     | -94    |
| KNR   | 37                  | 130          | 0               | -42 | -48    | -47    | -2                      | -33 | -23    | -5     |
| GR Infra                                    | 89                  | 915          | 3               | -30 | -31    | NA     | 3                       | -37 | 24     | -55    |
| Ashoka Buildcon                             | 37                  | 131          | 7               | -38 | 63     | 14     | 9                       | 16  | 137    | 374    |
| Ceigall                                     | 62                  | 358          | 0               | 33  | NA     | NA     | -4                      | 34  | NA     | NA     |
| <b>Building contractors &amp; others</b>    |                     |              |                 |     |        |        |                         |     |        |        |
| Capacite Infra                              | 21                  | 248          | 12              | -24 | 10     | 17     | 8                       | -23 | -28    | -53    |
| Ahluwalia                                   | 57                  | 849          | 7               | -14 | 25     | 116    | 3                       | -13 | -13    | 47     |
| PSP Projects                                | 42                  | 1,067        | 23              | 38  | 48     | 142    | 19                      | 39  | 10     | 73     |
| <b>Diversified contractors &amp; others</b> |                     |              |                 |     |        |        |                         |     |        |        |
| Dilip Buildcon                              | 71                  | 439          | 2               | -13 | 72     | -25    | -2                      | -12 | 33     | -94    |
| HCC   | 65                  | 25           | 3               | -2  | 64     | 120    | -1                      | -1  | 26     | 51     |
| Welspun                                     | 84                  | 610          | 13              | 15  | 175    | 443    | 9                       | 16  | 137    | 374    |
| CemIndia                                    | 261                 | 1,521        | 37              | 69  | 815    | 1,631  | 33                      | 70  | 777    | 1,562  |
| Jkumar                                      | 37                  | 491          | 2               | -32 | 59     | 159    | -3                      | -31 | 21     | 90     |
| Afcon                                       | 114                 | 311          | -3              | -27 | NA     | NA     | -7                      | -27 | NA     | NA     |
| NCC Limited                                 | 93                  | 149          | 2               | -34 | 15     | 64     | -2                      | -33 | -23    | -5     |
| <b>T&amp;D contractors &amp; others</b>     |                     |              |                 |     |        |        |                         |     |        |        |
| KEC International                           | 134                 | 504          | 1               | -44 | -16    | 16     | -3                      | -43 | -54    | -53    |
| Kalpataru Projects International            | 235                 | 1,377        | 7               | 15  | 148    | 227    | 3                       | 16  | 110    | 158    |
| Jyoti Structure                             | 14                  | 12           | -9              | -36 | 66     | 51     | -13                     | -35 | 28     | -18    |
| TransRail Lightning                         | 70                  | 523          | 6               | -30 | NA     | NA     | 2                       | -29 | NA     | NA     |
| Bajel Projects                              | 65                  | 25           | 3               | -2  | 64     | 120    | -1                      | -1  | 26     | 51     |
| Larsen & Toubro                             | 5,576               | 4,053        | 2               | 13  | 63     | 169    | -2                      | 14  | 25     | 99     |
| Patel Engineering                           | 33                  | 33           | 23              | -11 | -2     | 106    | 19                      | -10 | -40    | 37     |
| IRB Infra                                   | 254                 | 21           | -1              | -15 | 60     | 166    | -5                      | -14 | 21     | 97     |

Source: Company, PL

## Exhibit 7: Valuation Comparison

| Stocks                                   | PER x        |             |           |           | (Discount) / Premium of PER wrt: |             |             |
|--|--------------|-------------|-----------|-----------|----------------------------------|-------------|-------------|
|  | PER 1 yr fwd | 10Y avg PER | +1 STD    | -1STD     | 10Y avg PER                      | +1 STD      | -1STD       |
| <b>Road Focused Contractors</b>          |              |             |           |           |                                  |             |             |
| IRB Infra                                | 18           | 16          | 25        | 8         | 13%                              | -26%        | 140%        |
| G R Infraprojects                        | 10           | 15          | 18        | 12        | -33%                             | -45%        | -14%        |
| PNC Infratech                            | 14           | 14          | 17        | 10        | 4%                               | -17%        | 39%         |
| HG Infra Engineering                     | 9            | 10          | 13        | 7         | -15%                             | -34%        | 20%         |
| KNR Construction                         | 20           | 17          | 19        | 14        | 22%                              | 6%          | 45%         |
| Ashoka Buildcon                          | 13           | 12          | 17        | 6         | 15%                              | -21%        | 108%        |
| <b>Average</b>                           | <b>14</b>    | <b>14</b>   | <b>18</b> | <b>10</b> | <b>2%</b>                        | <b>-22%</b> | <b>48%</b>  |
| <b>Building contractors &amp; others</b> |              |             |           |           |                                  |             |             |
| Ahluwalia Contracts                      | 17           | 16          | 19        | 12        | 6%                               | -14%        | 39%         |
| PSP Projects                             | 26           | 15          | 19        | 11        | 76%                              | 38%         | 142%        |
| Capacite Infra                           | 11           | 12          | 16        | 8         | -2%                              | -27%        | 50%         |
| <b>Average</b>                           | <b>18</b>    | <b>14</b>   | <b>18</b> | <b>10</b> | <b>28%</b>                       | <b>0%</b>   | <b>78%</b>  |
| <b>Diversified Order Book</b>            |              |             |           |           |                                  |             |             |
| Larsen & Toubro                          | 26           | 22          | 27        | 18        | 16%                              | -2%         | 42%         |
| NCC                                      | 13           | 12          | 16        | 8         | 4%                               | -23%        | 64%         |
| Cemi India Projects                      | 31           | 15          | 20        | 10        | 108%                             | 55%         | 214%        |
| Dilip Buildcon                           | 22           | 15          | 22        | 8         | 45%                              | 0%          | 160%        |
| J.Kumar Infraprojects                    | 8            | 9           | 12        | 6         | -11%                             | -36%        | 43%         |
| <b>Average</b>                           | <b>20</b>    | <b>15</b>   | <b>19</b> | <b>10</b> | <b>35%</b>                       | <b>2%</b>   | <b>100%</b> |
| <b>Power T&amp;D contractors</b>         |              |             |           |           |                                  |             |             |
| KEC International                        | 15           | 17          | 21        | 12        | -8%                              | -28%        | 27%         |
| Kalpataru Projects                       | 18           | 14          | 19        | 11        | 24%                              | -4%         | 69%         |
| <b>Average</b>                           | <b>17</b>    | <b>16</b>   | <b>20</b> | <b>11</b> | <b>-10%</b>                      | <b>-30%</b> | <b>23%</b>  |
| <b>Railway Contractors</b>               |              |             |           |           |                                  |             |             |
| RVNL                                     | 29           | 8           | 14        | 3         | 251%                             | 110%        | 981%        |
| IRCON                                    | 19           | 14          | 21        | 6         | 35%                              | -12%        | 186%        |
| RITES                                    | 27           | 17          | 25        | 10        | 54%                              | 7%          | 179%        |
| <b>Average</b>                           | <b>25</b>    | <b>13</b>   | <b>20</b> | <b>6</b>  | <b>89%</b>                       | <b>24%</b>  | <b>297%</b> |
| <b>Infra Combine</b>                     | <b>17</b>    | <b>14</b>   | <b>18</b> | <b>10</b> | <b>19%</b>                       | <b>-8%</b>  | <b>67%</b>  |

Source: Company, PL

**Analyst Coverage Universe**

| Sr. No. | Company Name                    | Rating     | TP (INR) | Share Price (INR) |
|---------|---------------------------------|------------|----------|-------------------|
| 1       | Adani Energy Solutions          | Hold       | 1452     | 1412              |
| 2       | Ahluwalia Contracts (India)     | BUY        | 929      | 764               |
| 3       | Ashoka Buildcon                 | Buy        | 152      | 123               |
| 4       | CESC                            | BUY        | 216      | 185               |
| 5       | Coal India                      | Accumulate | 515      | 481               |
| 6       | Dilip Buildcon                  | Accumulate | 520      | 472               |
| 7       | H.G. Infra Engineering          | Accumulate | 670      | 584               |
| 8       | Indian Energy Exchange          | Hold       | 135      | 123               |
| 9       | IRCON International             | Hold       | 136      | 143               |
| 10      | JSW Energy                      | Buy        | 646      | 559               |
| 11      | KNR Constructions               | HOLD       | 119      | 129               |
| 12      | NCC                             | BUY        | 195      | 161               |
| 13      | NTPC                            | Buy        | 450      | 389               |
| 14      | PNC Infratech                   | BUY        | 253      | 209               |
| 15      | Power Grid Corporation of India | BUY        | 346      | 297               |
| 16      | PSP Projects                    | BUY        | 956      | 787               |
| 17      | Rail Vikas Nigam                | Sell       | 165      | 260               |
| 18      | RITES                           | BUY        | 275      | 205               |
| 19      | Tata Power Company              | Hold       | 400      | 418               |

**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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