

February 9, 2026

## Q3FY26 Result Update

### Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	33,586	20,966	21,410	26,093
EBITDA (Rs. m)	6,259	2,306	2,355	3,392
Margin (%)	18.6	11.0	11.0	13.0
PAT (Rs. m)	3,275	1,553	1,523	2,244
EPS (Rs.)	11.6	5.5	5.4	8.0
Gr. (%)	335.5	(52.6)	(1.9)	47.3
DPS (Rs.)	0.2	0.3	0.3	0.3
Yield (%)	0.2	0.2	0.2	0.2
RoE (%)	9.1	3.9	3.7	5.2
RoCE (%)	14.9	3.5	3.2	5.2
EV/Sales (x)	1.2	1.6	1.6	1.3
EV/EBITDA (x)	6.6	14.5	14.6	9.8
PE (x)	13.1	27.5	28.1	19.1
P/BV (x)	1.1	1.0	1.0	1.0

### Key Data

KNRL.BO | KNRC IN

52-W High / Low	Rs.293 / Rs.130
Sensex / Nifty	81,666 / 25,088
Market Cap	Rs.43bn/ \$ 468m
Shares Outstanding	281m
3M Avg. Daily Value	Rs.309.67m

### Shareholding Pattern (%)

Promoter's	48.81
Foreign	7.38
Domestic Institution	20.02
Public & Others	23.79
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(0.6)	(26.9)	(46.5)
Relative	(0.6)	(30.1)	(50.1)

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## Execution slowdown pushes recovery to FY28

KNR Constructions (KNRC) is likely to see muted growth during FY26E–27E after a sustained decline in revenue over the last 2 years (FY23–25). Revenue in Q3FY26/9MFY26 declined by 21%/38% YoY, reflecting weak execution. While KNRC recorded order inflow of over Rs40bn in 9MFY26, equivalent to ~2x its annual revenue, lifting the order book to Rs88bn (5.7x TTM revenue) as of Q3, more than 50% of the backlog remains at an early stage, with a meaningful pick-up in execution expected only toward the end of FY27E. The management has guided for near-term EBITDA margin of 9–10%, with a return to 13–14% now pushed to FY28, as execution intensity improves and legacy cost overhangs taper. We have 'HOLD' rating with SoTP-based TP of Rs148 per share. KNRC has executed definitive agreements to monetize part of its HAM portfolio, which is expected to reduce consolidated net debt from ~Rs25bn to ~Rs4bn, strengthening the balance sheet. At CMP, the stock trades at a rich 19x FY28E EPS, with the premium reflecting net-cash balance sheet & KNRC's strong execution track record.

**Weak quarter:** KNRC reported Q3 revenue of Rs5.9bn, down 21% YoY, reflecting muted execution as several projects reached advanced completion stages, limiting revenue recognition, despite ongoing fixed and close-out costs. EBITDA declined sharply to Rs307mn (–80% YoY), with margins contracting to 5.3%, driven by adverse operating leverage and a one-off Rs200mn cost related to viaduct construction during the quarter; adjusted EBITDA margin was 9%. PAT stood at Rs176mn (–78% YoY), remaining weak.

**Near-term outlook remains subdued:** The management has guided for flat revenue of ~Rs20bn in both FY26 and FY27, reflecting delayed execution ramp-up, and slower conversion of the order book into billable revenue. Execution is expected to remain moderate over the next few quarters, with meaningful recovery likely only after newly awarded projects enter peak execution. EBITDA margin is expected to reduce to 9–10% in the near term, with normalization to 13–14% only by FY28, as the project mix improves and exceptional cost pressures subside. The management indicated that the current phase represents a transition period, with operating leverage expected to return progressively.

**Slow-moving order book, is monitorable:** Out of KNRC's Rs88.5bn order book, Rs35–36bn pertaining to mining projects has not yet commenced due to pending forest clearances and statutory approvals. A further Rs13–15bn related to Mysuru–Kushalnagar HAM Package IV & V is progressing slowly, constrained by land acquisition issues, while Rs3–4bn of recently awarded irrigation projects is yet to enter the construction stage and is awaiting start. Consequently, only Rs40–43bn of the order book is considered actively executable over the next 2 years.

**HAM monetization at advanced stage:** KNRC has executed share purchase agreements with Indus Infra Trust for the sale of its 100% shareholding (including sub-debt) in 4 HAM SPVs. Against a total equity investment of Rs11bn, the company expects to receive a total consideration of Rs15.4bn, implying ~1.4x equity multiple. The transaction, subject to regulatory and lender approvals, is expected to be completed on or before Sep'26. Proceeds are expected to materially deleverage the balance sheet, fund remaining HAM equity commitments, and enhance KNRC's capacity to pursue incremental EPC opportunities, while O&M responsibilities may continue post-monetization.

**Exhibit 1: Quarterly table**

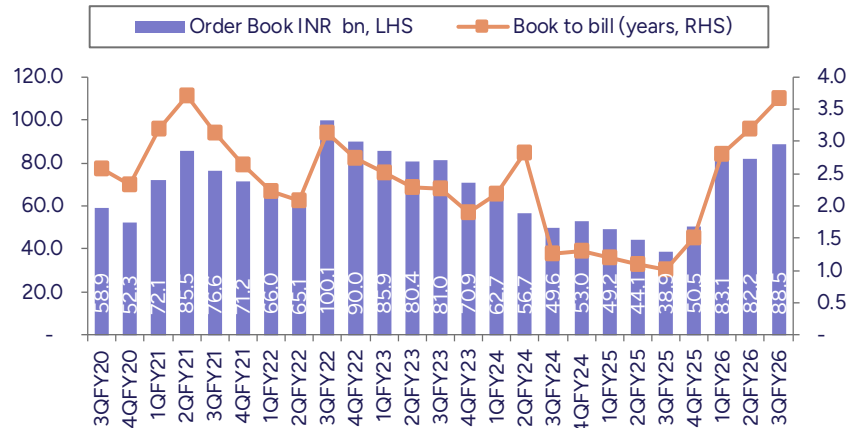
Particulars (Rs mn)	Dec-25	Dec-24	YoY gr. (%)	Sep-25	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
<b>Net Sales</b>	<b>5,851</b>	<b>7,435</b>	<b>(21.3)</b>	<b>4,930</b>	<b>18.7</b>	<b>15,614</b>	<b>25,075</b>	<b>(37.7)</b>
<b>EBIDTA</b>	<b>307</b>	<b>1,516</b>	<b>(79.7)</b>	<b>536</b>	<b>(42.6)</b>	<b>1,499</b>	<b>3,900</b>	<b>(61.6)</b>
<i>EBITDA margin (%)</i>	<i>5.3%</i>	<i>20.4%</i>	<i>-15bps</i>	<i>10.9%</i>	<i>-6bps</i>	<i>9.6%</i>	<i>15.6%</i>	<i>-595bps</i>
Other income	94	1,166	(92.0)	39	141.5	350	4,331	1,137.6
<b>PBIDT</b>	<b>401</b>	<b>2,681</b>	<b>(85.0)</b>	<b>575</b>	<b>(30.2)</b>	<b>1,849</b>	<b>8,231</b>	<b>345.1</b>
Depreciation	146	229	(36.2)	147	(0.5)	443	680	53.6
Interest	31	31	2.2	46	(32.2)	112	92	(18.1)
<b>Pre-tax profit</b>	<b>223</b>	<b>2,422</b>	<b>(90.8)</b>	<b>382</b>	<b>(41.6)</b>	<b>1,295</b>	<b>7,460</b>	<b>476.1</b>
Tax (current+deferred)	46	600	(92.3)	103	(54.8)	325	1,989	511.1
<b>Profit after tax</b>	<b>176</b>	<b>1,822</b>	<b>(90.3)</b>	<b>279</b>	<b>(36.8)</b>	<b>969</b>	<b>6,505</b>	<b>571.1</b>
<b>Adj Profit after tax</b>	<b>176</b>	<b>783</b>	<b>(77.5)</b>	<b>279</b>	<b>(36.8)</b>	<b>969</b>	<b>2,523</b>	<b>160.3</b>

Source: Company, PL

## Q3FY26 earnings call highlights

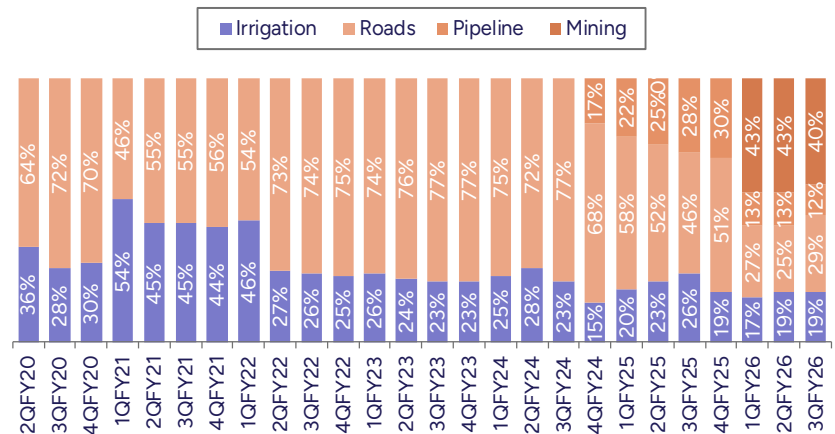
- The road sector witnessed muted awarding during 9MFY26, primarily due to moderation in MoRTH and NHAI project awards. During the period, MoRTH awarded ~1,448km and NHAI awarded ~712km, reflecting a slowdown in execution.
- The management highlighted an improving outlook, with NHAI having invited bids aggregating to ~Rs1.5trn, indicating recovery in awarding momentum over the coming quarters.
- NHAI's asset monetization proceeds of Rs350–400bn are expected to accrue in FY26, improving funding flexibility.
- Equity investment in HAM projects: Rs7.27bn has been invested out of total Rs9.62bn required. Balance Rs2.35bn is likely to be infused as follows: Rs870mn in FY26 and Rs1.48bn in FY27.
- KNRC has signed an SPA with Indus Infra to sell 100% stake in 4 HAM SPVs.
- Expected proceeds: Rs15.43bn. (Rs5.00bn expected to be received by Mar'26 & balance by Q1FY27). KNRC will reinvest Rs5.67bn equity into these SPVs before completion.
- Debt impact, consolidated debt at Dec'25: Rs24bn; Of this, Rs21bn pertains to monetized SPVs. Post-transaction, net consolidated debt is expected to fall to Rs5bn by Mar'26.
- Current order book (secured): Rs43bn. Orders already bid: Rs70–80bn (NHAI + state projects). 63 projects are expected by Mar'26 from NHAI. Rs100–120bn order inflow is expected by Q2FY27.
- Identified bidding pipeline: Rs300–400bn
- Irrigation projects as of Dec'25 stood at Rs17bn (of which, Rs8bn is unbilled).
- Total unbilled revenue at the company level is Rs14bn.
- FY26 revenue guidance stands at Rs20bn, which implies Q4 FY26 revenue of Rs4.5bn, reflecting project completions and limited new starts.
- Of the current executable order book (Rs43bn ex-mining), execution of Rs20bn is expected in FY27.
- The management indicated Rs45bn revenue potential in FY28, subject to timely order wins and execution ramp-up.
- Q3 standalone margins were impacted by: higher sub-contracting costs (Rs1.70bn) in pipeline projects (low-margin, back-to-back EPC); cost overruns (Rs200mn) on viaduct /repair works; and projects nearing completion phase with lower revenue but fixed overhead absorption.
- Near-term EBITDA outlook: FY27 margins are expected at 9–10%. From FY28, the management targets margins to normalize (13–14%) as new projects ramp up.

**Exhibit 2: Order book visibility at 4x TTM revenue**



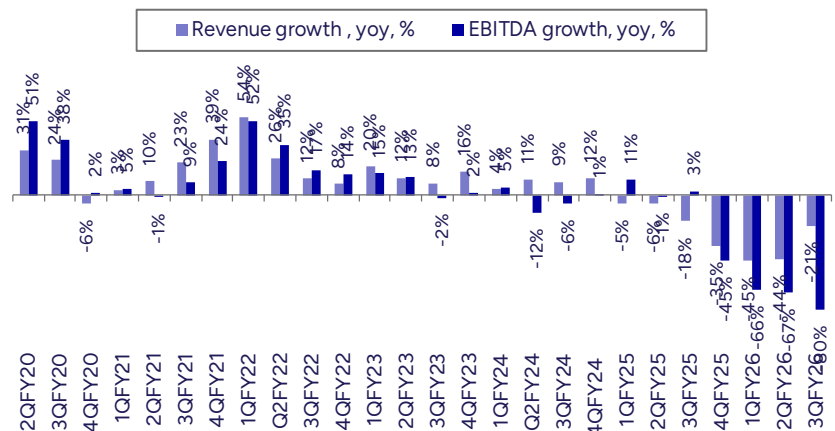
Source: Company, PL

**Exhibit 3: Order book – Segment-wise concentration**



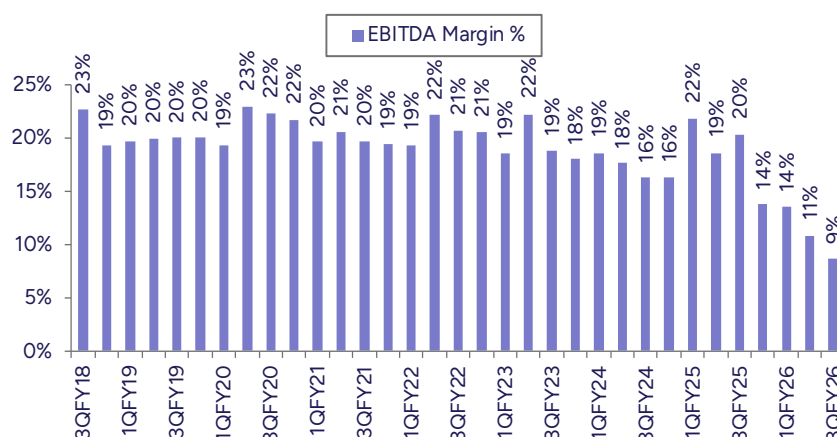
Source: Company, PL

**Exhibit 4: Revenue declining from last 4-5 quarters**



Source: Company, PL

**Exhibit 5: EBITDA margin declining**



Source: Company, PL

**Exhibit 6: Key annual operational and financial metrics**

Rs mn	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Order Book	71,179	90,008	70,921	53,048	50,518	89,552	1,38,142	1,92,048
Order Inflow	45,908	51,555	18,351	23,037	5,262	60,000	70,000	80,000
Book to bill, x	2.3	2.5	2.1	1.5	1.5	3.3	5.3	6.3
Revenue	27,026	32,726	37,438	40,910	33,586	20,966	21,410	26,093
Change YoY, %	20%	21%	14%	9%	-18%	-38%	2%	22%
EBITDA	5,358	6,777	7,217	7,010	6,259	2,306	2,355	3,392
EBITDA Margin, %	19.8	20.7	19.3	17.1	18.6	11.0	11.0	13.0
PAT	2,515	3,680	4,110	752	3,275	1,553	1,523	2,244
Change YoY, %	7.7	46.3	11.7	-81.7	335.5	-52.6	-1.9	47.3
PAT Margin, %	9.0	11.7	13.3	12.1	21.6	7.4	7.1	8.6
WC as a % of sales	33%	28%	43%	40%	70%	76%	68%	57%
Net debt (Rs bn)	-1,163	-1,669	-1,942	-2,346	-1,436	-9,305	-8,404	-9,408
Net debt/ equity (x)	-0.06	-0.07	-0.07	-0.07	-0.04	-0.23	-0.20	-0.21
Capex (Rs bn)	939	2,939	516	728	181	100	3,500	1,000
CFO (Rs bn)	2,920	3,432	129	2,178	-2,637	9,433	3,069	2,436
CFO/ EBITDA	55%	51%	2%	31%	-42%	409%	130%	72%

Source: Company, PL

## Outlook & valuations

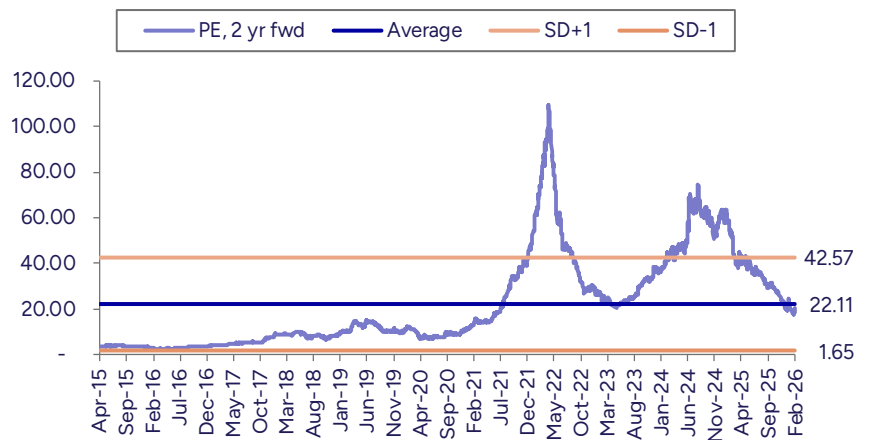
The SoTP valuation for KNRC is derived by valuing its core EPC business and its BOT/HAM assets separately to better reflect the differing risk and cash-flow profiles. The EPC business is valued using FY28E PAT of Rs2.24bn, applying a target multiple of 15x, which yields a total equity value of Rs33.7bn. On a per-share basis (281mn shares outstanding), this translates into an EPC value of ~Rs120 per share. To this, we add the value of KNRC's BOT and HAM portfolios at ~Rs28 per share, reflecting the residual value of operational and under-monetization assets. Combining the 2 components results in SoTP-based TP of Rs148 per share.

### Exhibit 7: TP of KNRC at Rs148/sh

Particulars	FY28E
PAT (Rs mn)	2,244
Target Multiple (x)	15
Total Equity value (Rs mn)	33,655
No of shares (mn)	281
EPC value per share (Rs)	120
Value of BOT & HAM projects (Rs)	28
<b>Target price (Rs)</b>	<b>148</b>

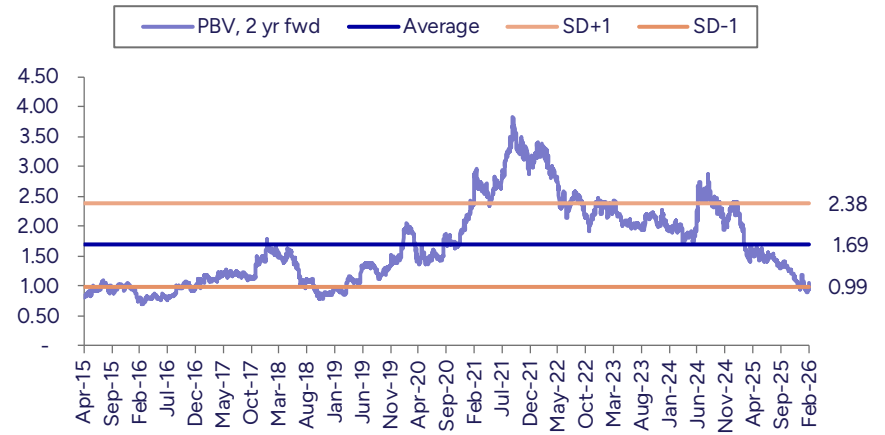
Source: Company, PL

### Exhibit 8: KNRC PE band at its averages



Source: Company, PL

**Exhibit 9: KNRC PB below BV**



Source: Company, PL

## Key risks

- **High proportion of slow-moving order book:** A sizable portion of KNRC's Rs88.5bn backlog—particularly Rs35–36bn of mining projects—is yet to enter execution owing to pending forest clearances and gram sabha approvals. The management has indicated potential delays of 8–10 months, constraining near-term revenue visibility and increasing execution risk.
- **Land acquisition and RoW challenges:** Some HAM road projects, notably Mysuru–Kushalnagar Package IV & V, have been impacted by partial land availability (50–65%), restricting execution to available stretches and increasing the risk of timeline slippages and cost inefficiencies.
- **Limited executable order book visibility:** The management has guided that only Rs43bn of the total order book is meaningfully executable in the near term after excluding mining and stalled projects, creating a gap between headline backlog and actual revenue conversion potential.
- **Working capital and receivables risk:** Certain irrigation projects carry material certified but unpaid bills and unbilled revenue, with collections dependent on state government releases and legal processes, which could strain cash flows and working capital.
- **Margin pressure from pipeline projects:** Pipeline works are largely back-to-back subcontracted, carrying lower margins. A higher share of such projects in the execution mix could dilute consolidated EBITDA margin.
- **Asset monetization a key monitorable:** KNRC expects cash inflows from HAM SPV monetization to support liquidity and balance sheet strength. However, any delay, valuation haircut or execution slippage could adversely impact cash flows, leverage metrics and capital allocation flexibility.



## Annexure

### KNRC: Company background

- KNR Constructions Ltd, a Hyderabad-based company established in 1995, is a well-established EPC player with over 25 years of execution experience in roads, highways, irrigation, pipelines and mining infrastructure.
- KNRC has historically focused on roads and highways, but has diversified into irrigation, mining and pipeline infrastructure to reduce dependency on a single vertical.
- As of 31<sup>st</sup> Dec'25, the company had a consolidated order book of Rs88.5bn. Segment-wise, the order book is diversified with mining accounting for ~40% (Rs35.5bn), followed by irrigation at ~19% (Rs16.8bn), roads/HAM at ~29% (Rs25.5bn) and pipelines (water transmission and distribution pipeline projects) at ~12% (Rs10.7bn).
- Geographically, the order book is largely concentrated in southern India, with Andhra Pradesh and Telangana together contributing ~Rs38.3bn, Karnataka contributing ~Rs13.5bn, and the balance spread across states such as Kerala, Tamil Nadu and Jharkhand. KNRC employs ~2,300 personnel and operates a strong in-house execution model supported by a large equipment base, with gross block of plant and machinery of ~Rs14.1bn, enabling faster mobilization and cost control.
- From an execution standpoint, the management has highlighted that a meaningful portion of the order book—particularly ~Rs35–36bn of mining projects and select HAM and irrigation packages—is subject to delays due to forest clearances and land acquisition issues. As a result, only Rs43bn of the current order book is considered actively executable in the near to medium term, which is an important consideration for near-term revenue visibility.

### Shareholding (as of Dec'25)

- Promoters hold 48.81% shares; KNRC is promoted by Mr. Kamidi Narsimha Reddy.
- DIIs have 20.02% stake, with 1%+ held by HDFC MF, ICICI Pru MF, & SBI MF, FT, Axis MF, and Bajaj Fin each.

### Management team led by veterans

**Dr. W R Reddy, Chairman:** He is a retired Indian Administrative Service officer with over 33 years of experience, having held several senior leadership roles in both the central and state governments. He served as Director General, National Institute of Rural Development and Panchayat Raj, and held key positions including Additional Chief Secretary and Principal Secretary in the Government of Kerala, and Joint Secretary in the Ministry of Agriculture, GoI. He has led multiple public sector undertakings in Kerala as Chairman and Managing Director, served on the Board of GSTIN, and represented GoI at various international forums, including the United Nations and multilateral bilateral delegations.

**Mr. K Narasimha Reddy, Managing Director:** He is the Founder Promoter and Managing Director of KNRC with over 55 years of experience in the roads and infrastructure sector. He has extensive knowledge and experience in project planning, scheduling, cost controls, and quality surveying in addition to overall construction project management. He oversees the implementation of all the projects and has formulated the corporate vision of the company.

**Mr. K Jalandhar Reddy, Executive Director:** He is the Promoter and Executive Director of KNRC. He has over 29 years of experience in the roads and infrastructure sector. He started his career with KNRC as a project manager and was elevated to the Executive Director in 1997. He heads the tendering and bidding activities of the company and oversees projects execution.

**Mr. T L Verma, Sr Vice President – Projects:** He has a BE degree from MITS Gwalior (MP) and over 40 years of experience, with ~20 years in the highways sector. He has been working with the company since 2006 on various projects, i.e., bridges and highways, including construction of concrete roads.

**Mr. K Venkata Ram Rao, General Manager - Finance & Accounts:** He has over 20 years of experience in the areas of finance, accountancy and taxation and is an associate member of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India. He has the overall responsibility for the finalization of corporate accounts, taxation, finance and related jobs.

## Financials

### Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	<b>33,586</b>	<b>20,966</b>	<b>21,410</b>	<b>26,093</b>
YoY gr. (%)	(17.9)	(37.6)	2.1	21.9
Cost of Goods Sold	14,664	9,154	5,714	3,567
Gross Profit	18,922	11,812	15,696	22,526
Margin (%)	56.3	56.3	73.3	86.3
Employee Cost	2,896	1,808	1,129	705
Other Expenses	9,766	7,698	12,212	18,430
<b>EBITDA</b>	<b>6,259</b>	<b>2,306</b>	<b>2,355</b>	<b>3,392</b>
YoY gr. (%)	(10.7)	(63.2)	2.1	44.0
Margin (%)	18.6	11.0	11.0	13.0
Depreciation and Amortization	903	911	1,002	1,117
<b>EBIT</b>	<b>5,357</b>	<b>1,395</b>	<b>1,353</b>	<b>2,276</b>
Margin (%)	15.9	6.7	6.3	8.7
Net Interest	130	150	190	190
Other Income	4,517	840	882	926
<b>Profit Before Tax</b>	<b>9,594</b>	<b>2,085</b>	<b>2,045</b>	<b>3,012</b>
Margin (%)	28.6	9.9	9.6	11.5
Total Tax	2,337	532	521	768
Effective tax rate (%)	24.4	25.5	25.5	25.5
<b>Profit after tax</b>	<b>7,257</b>	<b>1,553</b>	<b>1,523</b>	<b>2,244</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>3,275</b>	<b>1,553</b>	<b>1,523</b>	<b>2,244</b>
YoY gr. (%)	335.5	(52.6)	(1.9)	47.3
Margin (%)	9.8	7.4	7.1	8.6
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>3,275</b>	<b>1,553</b>	<b>1,523</b>	<b>2,244</b>
YoY gr. (%)	335.5	(52.6)	(1.9)	47.3
Margin (%)	9.8	7.4	7.1	8.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,275	1,553	1,523	2,244
<b>Equity Shares O/s (m)</b>	<b>281</b>	<b>281</b>	<b>281</b>	<b>281</b>
<b>EPS (Rs)</b>	<b>11.6</b>	<b>5.5</b>	<b>5.4</b>	<b>8.0</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>17,897</b>	<b>17,997</b>	<b>21,497</b>	<b>22,497</b>
Tangibles	663	663	663	663
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>14,872</b>	<b>15,783</b>	<b>16,785</b>	<b>17,902</b>
Tangibles	-	-	-	-
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>3,689</b>	<b>2,878</b>	<b>5,376</b>	<b>5,259</b>
Tangibles	3,689	2,878	5,376	5,259
Intangibles	-	-	-	-
Capital Work In Progress	4	4	4	4
Goodwill	-	-	-	-
Non-Current Investments	7,899	9,899	10,899	11,899
Net Deferred tax assets	1,276	1,276	1,276	1,276
Other Non-Current Assets	1,764	1,852	1,945	2,042
<b>Current Assets</b>				
Investments	-	-	-	-
Inventories	1,603	1,094	1,118	1,331
Trade receivables	12,450	7,771	7,039	5,719
Cash & Bank Balance	1,436	9,305	8,404	9,408
Other Current Assets	1,965	1,227	1,253	1,527
<b>Total Assets</b>	<b>46,498</b>	<b>46,795</b>	<b>48,457</b>	<b>51,333</b>
<b>Equity</b>				
Equity Share Capital	562	562	562	562
Other Equity	38,887	40,371	41,824	43,997
<b>Total Network</b>	<b>39,450</b>	<b>40,933</b>	<b>42,386</b>	<b>44,559</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	-	-	-	-
Provisions	68	68	68	68
Other non current liabilities	26	26	26	26
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	3,080	2,103	2,147	2,558
Other current liabilities	3,845	3,636	3,801	4,092
<b>Total Equity &amp; Liabilities</b>	<b>46,498</b>	<b>46,795</b>	<b>48,457</b>	<b>51,333</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	9,709	2,235	2,235	3,202
Add. Depreciation	903	911	1,002	1,117
Add. Interest	(2,918)	(840)	(882)	(926)
Less Financial Other Income	4,517	840	882	926
Add. Other	-	-	-	-
Op. profit before WC changes	7,693	2,306	2,355	3,392
Net Changes-WC	(8,163)	7,659	1,236	(188)
Direct tax	(2,167)	(532)	(521)	(768)
<b>Net cash from Op. activities</b>	<b>(2,637)</b>	<b>9,433</b>	<b>3,069</b>	<b>2,436</b>
Capital expenditures	(181)	(100)	(3,500)	(1,000)
Interest / Dividend Income	2,920	840	882	926
Others	(1,269)	(2,088)	(1,093)	(1,097)
<b>Net Cash from Invst. activities</b>	<b>1,470</b>	<b>(1,348)</b>	<b>(3,711)</b>	<b>(1,171)</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	-	-	-	-
Dividend paid	(70)	(70)	(70)	(70)
Interest paid	(117)	(150)	(190)	(190)
Others	-	-	-	-
<b>Net cash from Fin. activities</b>	<b>(187)</b>	<b>(220)</b>	<b>(260)</b>	<b>(260)</b>
<b>Net change in cash</b>	<b>(1,353)</b>	<b>7,865</b>	<b>(902)</b>	<b>1,004</b>
Free Cash Flow	(2,818)	9,333	(431)	1,436

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Per Share(Rs)</b>				
EPS	11.6	5.5	5.4	8.0
CEPS	14.9	8.8	9.0	11.9
BVPS	140.3	145.5	150.7	158.4
FCF	(10.0)	33.2	(1.5)	5.1
DPS	0.2	0.3	0.3	0.3
<b>Return Ratio(%)</b>				
RoCE	14.9	3.5	3.2	5.2
ROIC	11.8	3.4	3.0	5.0
RoE	9.1	3.9	3.7	5.2
<b>Balance Sheet</b>				
Net Debt : Equity (x)	0.0	(0.2)	(0.2)	(0.2)
Net Working Capital (Days)	119	118	102	63
<b>Valuation(x)</b>				
PER	13.1	27.5	28.1	19.1
P/B	1.1	1.0	1.0	1.0
P/CEPS	10.2	17.4	16.9	12.7
EV/EBITDA	6.6	14.5	14.6	9.8
EV/Sales	1.2	1.6	1.6	1.3
Dividend Yield (%)	0.2	0.2	0.2	0.2

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
<b>Net Revenue</b>	<b>8,512</b>	<b>4,833</b>	<b>4,930</b>	<b>5,851</b>
YoY gr. (%)	(35.2)	(45.1)	(44.2)	(21.3)
Raw Material Expenses	3,742	2,326	1,661	1,649
Gross Profit	4,770	2,508	3,269	4,202
Margin (%)	56.0	51.9	66.3	71.8
<b>EBITDA</b>	<b>1,175</b>	<b>656</b>	<b>536</b>	<b>307</b>
YoY gr. (%)	(45.1)	(65.8)	(67.5)	(79.7)
Margin (%)	13.8	13.6	10.9	5.3
Depreciation / Depletion	223	150	147	146
<b>EBIT</b>	<b>952</b>	<b>506</b>	<b>389</b>	<b>161</b>
Margin (%)	11.2	10.5	7.9	2.8
Net Interest	38	34	46	31
Other Income	185	217	39	94
<b>Profit before Tax</b>	<b>1,099</b>	<b>689</b>	<b>382</b>	<b>224</b>
Margin (%)	12.9	14.3	7.7	3.8
Total Tax	348	177	103	46
Effective tax rate (%)	31.6	25.6	26.9	20.7
<b>Profit after Tax</b>	<b>752</b>	<b>513</b>	<b>279</b>	<b>177</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>752</b>	<b>513</b>	<b>279</b>	<b>177</b>
YoY gr. (%)	(43.1)	(36.3)	(70.1)	(77.3)
Margin (%)	8.8	10.6	5.7	3.0
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>752</b>	<b>513</b>	<b>279</b>	<b>177</b>
YoY gr. (%)	(43.1)	(36.3)	(70.1)	(77.3)
Margin (%)	8.8	10.6	5.7	3.0
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>752</b>	<b>513</b>	<b>279</b>	<b>177</b>
Avg. Shares O/s (m)	-	-	-	-
<b>EPS (Rs)</b>	<b>2.7</b>	<b>1.8</b>	<b>1.0</b>	<b>0.6</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	Indian Energy Exchange	Hold	135	127
4	NCC	BUY	200	156
5	NTPC	BUY	423	356
6	Power Grid Corporation of India	BUY	324	270
7	PSP Projects	BUY	1,028	750
8	Rail Vikas Nigam	Sell	183	314
9	RITES	BUY	276	223
10	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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