

Rating: BUY | CMP: Rs232 | TP: Rs291

February 10, 2026

## Q3FY26 Result Update

### Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	55,131	49,818	61,201	72,921
EBITDA (Rs. m)	10,489	6,092	7,677	8,963
Margin (%)	19.0	12.2	12.5	12.3
PAT (Rs. m)	3,823	3,726	4,874	5,367
EPS (Rs.)	14.9	14.5	19.0	20.9
Gr. (%)	(39.5)	(2.5)	30.8	10.1
DPS (Rs.)	0.6	0.6	0.6	0.6
Yield (%)	0.3	0.3	0.3	0.3
RoE (%)	7.5	6.6	8.0	8.2
RoCE (%)	17.4	8.5	10.3	11.3
EV/Sales (x)	1.0	0.9	0.8	0.7
EV/EBITDA (x)	5.4	7.4	6.2	5.6
PE (x)	15.6	16.0	12.2	11.1
P/BV (x)	1.1	1.0	0.9	0.9

### Key Data

	PNCL.BO   PNCL IN
52-W High / Low	Rs.332 / Rs.205
Sensex / Nifty	84,274 / 25,935
Market Cap	Rs.60bn/ \$ 657m
Shares Outstanding	257m
3M Avg. Daily Value	Rs.69.95m

### Shareholding Pattern (%)

Promoter's	56.07
Foreign	6.95
Domestic Institution	26.21
Public & Others	10.77
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(4.3)	(24.5)	(22.7)
Relative	(5.1)	(28.4)	(29.1)

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### Near-term pain, medium-term recovery intact

**PNC Infratech (PNCL)** reported weak execution in Q3FY26, with standalone revenue declining 22% YoY in 9MFY26, reflecting execution delays, although profitability remained resilient (EBITDA margin: 12.8%, PAT margin: ~7%). Execution is expected to improve from Q4FY26E (revenue growth of 20%+ YoY), supporting a stronger exit, despite FY26 revenue likely declining ~10% YoY to ~Rs50bn. Looking ahead, based on order readiness, PNCL is targeting ~25% YoY revenue growth in FY27E, driven by execution of its existing order book. The unexecuted order book (excluding slow-moving projects) of Rs158bn (3.4x TTM revenue) provides medium-term visibility, notwithstanding near-term awarding delays, with ~70% exposure to roads and ~15% each to water and mining. PNCL continues to maintain a strong net-cash balance sheet (Rs15bn+), alongside cumulative equity investments of ~Rs11bn in HAM projects. The bid pipeline remains robust, with outcomes awaited for road, rail and airport EPC bids aggregating to ~Rs287bn. We remain constructive on an execution-led recovery in FY27E, supported by balance sheet strength and valuation comfort (10x FY28E EPS, ~1x BV). We and BUY rating with an SOTP-based TP of Rs291.

**Weak execution in Q3FY26:** PNCL reported muted standalone performance during the period, reflecting execution delays and a softer awarding environment. For 9MFY26, the company delivered revenue of -22% YoY, EBITDA margin of 12.8% and PAT margin of 7%, indicating stable operating profitability despite lower scale. Revenue growth remained constrained during the quarter, tracking the slowdown in execution across road and water projects.

**Guidance for better revenue in FY27E:** The management has guided for FY26 revenue of up to ~Rs50bn, implying a ~10% YoY decline due to slower execution and delayed project awarding, with Q4FY26 expected to be stronger at Rs17–18bn. For FY27, the company is targeting ~25% YoY revenue growth on the FY26 base, supported by execution of the existing order book and expected inflows. EBITDA margin is guided at 12–12.5% for FY26 and FY27. Order inflow for FY26 is guided at ~Rs120bn, including ~Rs60bn already received.

**Debt-free balance sheet:** PNCL maintains a conservative balance sheet profile, with standalone net worth of ~Rs57.1bn as of Dec'25. Standalone gross debt stood at ~Rs11.1bn, largely working-capital related, offset by cash and investments of ~Rs13.0bn, resulting in net cash position and low net debt-to-equity of ~0.19x. At the consolidated level, net worth stood at ~Rs67.0bn, with total debt of ~Rs54.8bn and cash and investments of ~Rs27.5bn, translating into a moderate net debt-to-equity of ~0.82x, primarily reflecting project-level debt in HAM/HEM and renewable subsidiaries.

**Opportunity & bid pipeline healthy:** PNCL has identified a strong bidding opportunity of over Rs1trn bn, largely driven by NHAI across EPC, HEM and DBFOT road projects, despite near-term awarding delays. Over the last 1.5 quarters, the company has already submitted 33 bids aggregating to ~Rs287bn, spanning roads, renewables and other infra segments. This provides healthy medium-term growth visibility as awarding activity normalizes. Internationally, PNCL has submitted 2 ADB-funded road EPC bids in Uzbekistan worth ~Rs15bn, marking a selective, low-risk overseas foray leveraging execution synergies, while India remains the core growth engine.

**Exhibit 1: Quarterly table**

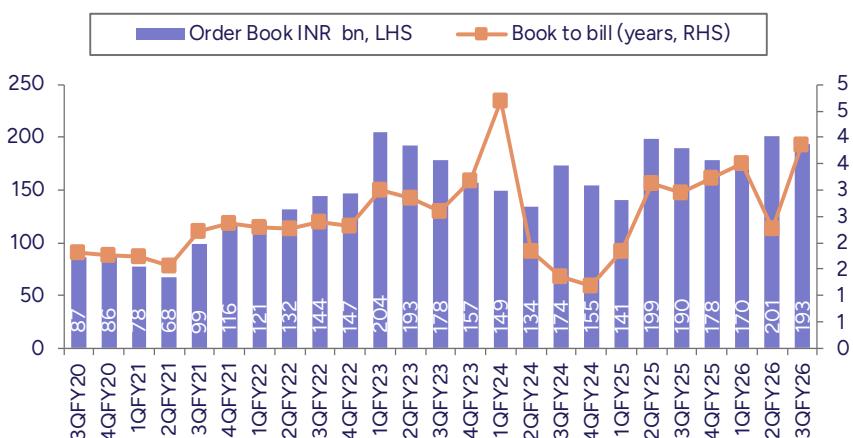
Particulars	Q3FY26	Q3FY25	YoY gr. (%)	Q2FY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
<b>Net Sales</b>	<b>10,564</b>	<b>12,051</b>	<b>(12.3)</b>	<b>9,830</b>	<b>7.5</b>	<b>31,759</b>	<b>40,986</b>	<b>(22.5)</b>
<b>EBITDA</b>	<b>1,309</b>	<b>1,460</b>	<b>(10.3)</b>	<b>1,362</b>	<b>(3.9)</b>	<b>4,077</b>	<b>8,730</b>	<b>(53.3)</b>
<b>Adj EBITDA</b>	<b>1,309</b>	<b>1,585</b>	<b>(17.4)</b>	<b>1,362</b>	<b>(3.9)</b>	<b>4,077</b>	<b>4,381</b>	<b>(6.9)</b>
<i>EBITDA margin (%)</i>	12.4	13.2	-76 bps	13.9	-146 bps	12.8	21.3	-846 bps
Other income	222	159	39.2	191	16.2	514	375	37.1
<b>PBIDT</b>	<b>1,531</b>	<b>1,619</b>	<b>(5.4)</b>	<b>1,553</b>	<b>(1.4)</b>	<b>4,591</b>	<b>9,105</b>	<b>(49.6)</b>
Depreciation	259	226	14.3	207	24.7	661	677	(2.4)
Interest	216	217	(0.4)	221	(2.2)	649	498	30.4
Exceptional items	(7)	-	NA	52	NA	45	-	
<b>Pre-tax profit</b>	<b>1,050</b>	<b>1,176</b>	<b>(10.7)</b>	<b>1,177</b>	<b>(10.8)</b>	<b>3,326</b>	<b>7,931</b>	<b>(58.1)</b>
Tax (current+deferred)	282	349	(19.1)	315	(10.3)	890	2,085	(57.3)
<b>Reported PAT</b>	<b>767</b>	<b>826</b>	<b>(7.2)</b>	<b>862</b>	<b>(11.0)</b>	<b>2,436</b>	<b>5,846</b>	<b>(58.3)</b>
<b>Adj PAT</b>	<b>772</b>	<b>826</b>	<b>(6.6)</b>	<b>862</b>	<b>(10.4)</b>	<b>2,391</b>	<b>2,613</b>	<b>(8.5)</b>

Source: Company, PL

## Q3FY26 earnings call highlights

- MoRTH / NHAI awarding status: Project awarding by MoRTH/NHAI remains subdued, with only 377km awarded in Q3FY26 versus ~500km in Q3FY25, despite a large announced pipeline. Repeated bid-date extensions, approval delays and land acquisition issues continue to defer actual awards, even as budgetary allocations for roads have increased..
- Bid pipeline & order inflow visibility: Over the last 1.5 quarters, PNCL has submitted 33 bids aggregating to ~Rs287bn across EPC, HEM and renewable projects in India and Uzbekistan. Total identified bidding opportunities exceed Rs1.2trn, largely from NHAI, with FY26 order inflow guided at ~Rs120bn, including ~Rs60bn from already-received.
- Equity investment & capital allocation: The company plans equity infusion of ~Rs1.0bn in Q4FY26 and ~Rs5.0bn in FY27, primarily toward HEM and renewable projects, out of the remaining ~Rs6.3bn commitment. Monetization/divestment of HEM assets is under evaluation, post PCOD of 4 projects in Q4FY26–Q1FY27.
- Overseas opportunity (Uzbekistan): PNCL has submitted 2 road EPC bids worth ~Rs1.5bn in Uzbekistan, funded by ADB, leveraging its existing road execution capabilities and equipment base. The management views overseas EPC as a selective, low-risk diversification, rather than a scale-driven strategy.
- Status of JJM / water projects: Outstanding billed receivables under water/JJM projects stood at Rs8.2bn as of Dec'25, which have reduced to ~Rs7.0bn post recent collections. The management expects gradual improvement in payments following the Rs677bn JJM allocation in FY27, with execution aligned to fund releases and major completion extending into FY28.
- Competition & pricing environment: Competitive intensity remains very high in EPC projects, with 20–25 bidders still participating in NHAI tenders, despite tighter qualification norms. The management expects competition to ease only once awarding accelerates and bidder capacity constraints emerge.
- Margin outlook: Standalone EBITDA margin is guided at 12–12.5% for FY26 and FY27, revised lower due to ~10% decline in FY26 turnover. Renewable EPC projects are expected to deliver lower ~9% PBT margin, reflecting competitive pricing and initial execution ramp-up.
- Renewable energy diversification: The NHPC solar plus BESS project (~Rs20bn) is in the final stages of land identification and agreement execution, with order book addition expected in Q2FY27. The management targets ~Rs10bn revenue in FY27, with renewables and other non-highway segments forming ~50% of the business over the next 2–3 years.

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



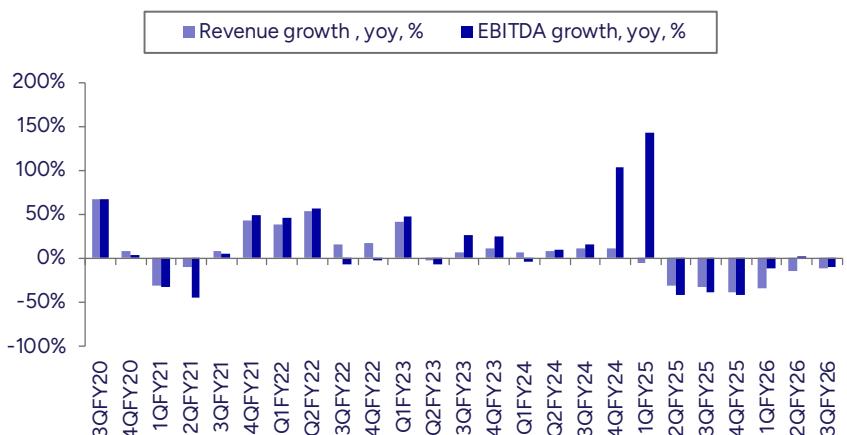
Source: Company, PL

**Exhibit 3: Order book at 3.4x TTM revenue, excl. slow-moving orders**

	Rs bn	As %
Reported Order book		
Road	137	71%
Water	27	14%
Mining	30	15%
Total	193	100%
Book to TTM Revenue	4.2	
Slow-moving orders		
Order Awaiting AD (Approvals)	15	
Order sub-judice	20	
Executable Order book		
Book to TTM Revenue	158	
	3.4	

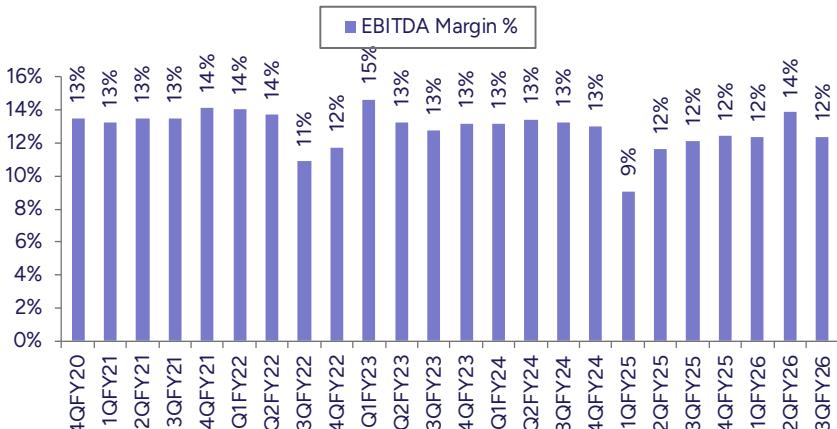
Source: Company, PL

**Exhibit 4: Revenue growth is weak from last 4-5 quarters**



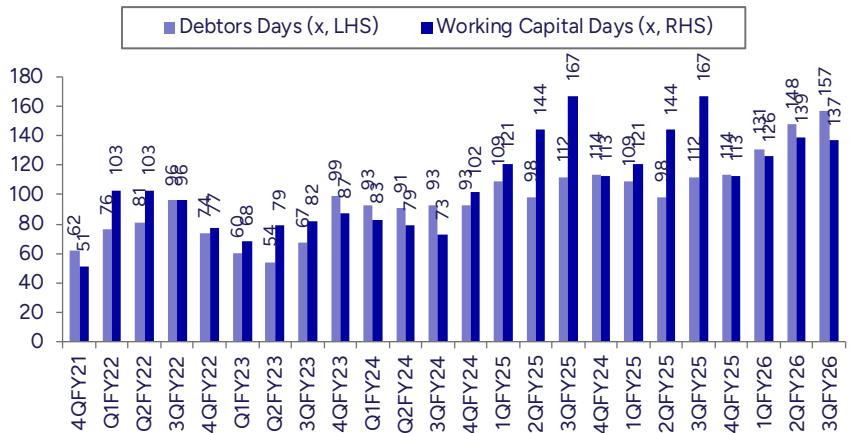
Source: Company, PL

**Exhibit 5: EBITDA margin steady**



Source: Company, PL

**Exhibit 6: Working capital trajectory – Largely unchanged over last 4-5 quarters**



Source: Company, PL

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

<b>Rs mn</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Order Book	1,16,480	1,46,630	1,56,760	1,54,900	1,77,920	2,44,802	3,10,302	3,74,081
Order Inflow	79,444	93,205	49,000	75,132	66,700	1,16,700	1,26,700	1,36,700
Book to bill x	2.1	2.1	2.1	2.0	3.0	4.2	4.5	4.7
Revenue	49,254	63,055	70,608	76,992	55,131	49,818	61,201	72,921
Change yoy, %	1.0	28.0	12.0	9.0	(28.4)	(9.6)	22.8	19.2
EBITDA	6,766	7,872	9,539	12,774	10,489	6,092	7,677	8,963
EBITDA Margin %	13.7	12.5	13.5	16.6	19.0	12.2	12.5	12.3
Interest Cost	771	801	638	658	763	847	918	1,094
PAT	3,619	4,478	6,115	6,318	3,823	3,719	4,856	5,421
Change yoy, %	(21.4)	23.7	36.5	3.3	(39.5)	(2.7)	30.6	11.6
PAT Margin %	7.3	7.1	8.7	8.2	6.9	7.5	7.9	7.4
WC as a % of sales	17.1	22.5	29.3	33.1	54.6	40.9	38.9	36.3
Net debt (INR bn)	(5,141)	(1,951)	23	(2,989)	(2,714)	(19,151)	(14,692)	(10,269)
Net debt/ equity (x)	(0.13)	(0.09)	0.02	(0.07)	(0.05)	(0.36)	(0.30)	(0.23)
Capex (INR bn)	1,835	601	552	427	239	4,000	2,500	2,500
CFO (INR bn)	2,732	878	(1,533)	12,609	5,512	7,404	3,750	5,069
CFO/ EBITDA	0.4	0.1	(0.2)	1.0	0.5	1.2	0.5	0.6

Source: Company, PL

## Outlook & Valuations

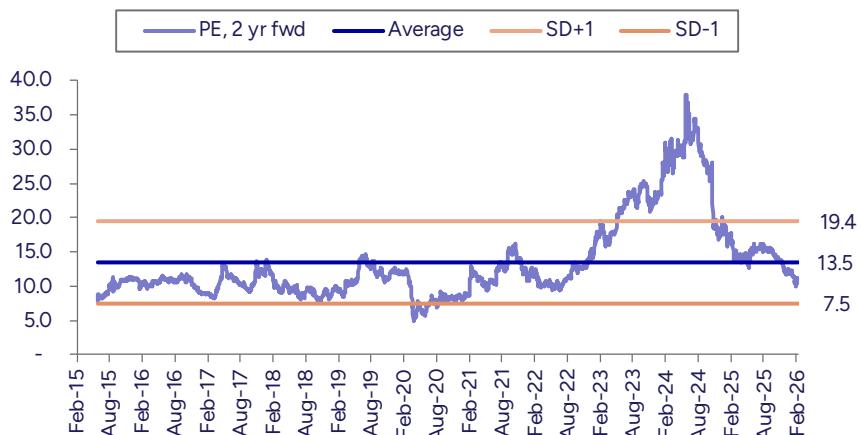
We assign 'BUY' rating to PNCL, with TP of Rs291 per share derived using the SOTP valuation framework. The core standalone business is valued by applying a 10x target multiple to FY27E core standalone PAT (net of other income) of Rs4,760mn, resulting in an equity value of Rs47,596mn, which translates to Rs186 per share (A). In addition, the valuation incorporates balance sheet strength, including 9MFY26 book value investments of Rs11,100mn (Rs43 per share, B) and net cash of Rs16,000mn (Rs62 per share, C). Aggregating the core business value and investment value leads to a target market capitalization of Rs74,696mn, implying TP of Rs291 per share (A + B + C).

### Exhibit 8: TP of PNCL at Rs291/sh

Rs mn	FY28E
Core standalone PAT FY27E (Net of Other Income)	4,760
Target Multiple (x)	10
Equity value construction (Rs mn)	47,596
Equity value construction (Rs/sh)	A 186
9MFY26 BV Investment (Rs mn)	11,100
9MFY26 BV Investment (Rs /sh)	B 43
9MFY26 Net Cash (Rs mn)	16,000
9MFY26 Net Cash (Rs /sh)	C 62
Target mkt Cap (Rs)	74,696
Target Price (Rs)	A + B 291

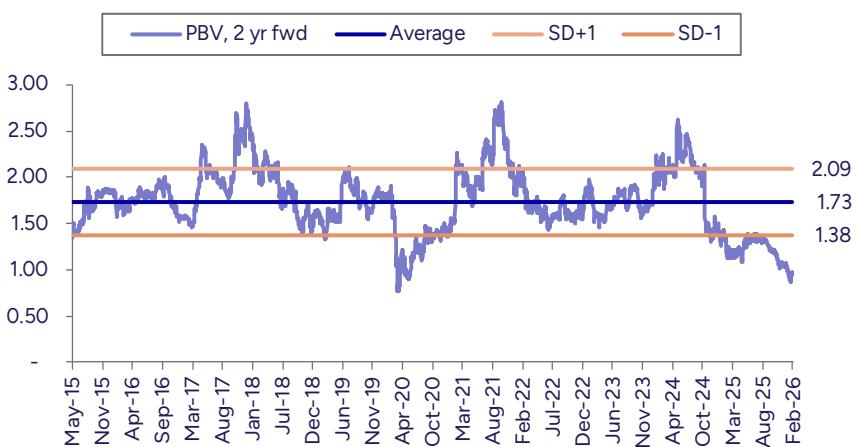
Source: Company, PL

### Exhibit 9: PNCL PE band at its averages



Source: Company, PL

**Exhibit 10: PNCL trades at its BV**



Source: Company, PL

## Key risks

- **Slow-moving orders:** Execution visibility remains vulnerable to delays in declaration of appointed dates and one order where matter is sub-judice; combined together, this contributes to 18% of the order book of Rs193bn.
- **Subdued project awarding by NHAI:** NHAI awarding activity has been muted for the past ~2.5 years, with smaller project sizes leading to intense competition and limiting meaningful order inflows, particularly in HAM projects.
- **Margin pressure from competitive intensity:** Competition remains very high in EPC projects (20–25 bidders per NHAI tender), limiting pricing power and posing downside risk to the guided 12–12.5% EBITDA margin range.
- **Working capital and receivables risk (JJM projects):** JJM projects have high receivables (~Rs8bn outstanding), driven by delays in central government funding. While state governments have assured interim funding, prolonged delays could strain working capital and execution pace.
- **Execution and margin sensitivity to volume ramp-up:** Fixed overheads remain largely sticky; hence, any shortfall in execution (due to weather, approvals, or funding delays) can pressure EBITDA margin, as reflected in lower core margins.
- **Diversification execution risk:** The strategic shift toward non-highway segments (target ~50% mix in 2–3 years) increases exposure to newer segments like renewables and water, where execution complexities and return profiles are still evolving.

## Annexure

### PNC Infratech: Contractor with diversified order book

- PNC Infratech Ltd was incorporated on 9<sup>th</sup> Aug'99 as *PNC Construction Company Pvt Ltd* and was subsequently converted into a public limited company and renamed PNC Infratech Ltd.
- The company was founded and is promoted by Mr. Pradeep Kumar Jain, who currently serves as the Chairman & Managing Director. Based out of Agra, PNCL has evolved into a leading infrastructure construction player with strong presence across roads, highways and other core infrastructure segments.
- The company has executed 97+ major infrastructure projects across 15 states, with roads forming the core of its business. PNCL follows an integrated execution model with in-house design, owned quarries, and a large equipment fleet, enabling cost control and timely project delivery. Over the years, it has selectively diversified into non-road segments such as water, mining, railways, and solar EPC to reduce dependence on road EPC cycles.
- As of 31st Dec'25, PNCL reported an order book of ~Rs193bn, providing strong medium-term revenue visibility and equivalent to over ~4x TTM revenue. Road-related projects (highways, expressways, railways, airport runways, and canal EPC) account for ~71% of the total order book, reflecting continued dominance of the core roads business. The non-road segment (~29%) comprises water supply projects (~Rs26.6bn) and other diversified EPC works, including mining and solar, supporting gradual diversification and margin stability. Large road EPC and HAM projects from NHAI and state authorities continue to anchor the execution pipeline.
- Out of the total order book, projects worth ~Rs15.1bn are awaiting appointed date, primarily comprising a western Bhopal bypass HAM project (~Rs10.9bn) and a Bihar EPC bridge project (~Rs4.2bn). Financial closure documentation for these projects has been submitted, and execution is expected to commence post appointed date. While this delays near-term revenue recognition, these projects remain fully secured within the order book and are expected to contribute meaningfully once execution begins.
- PNCL has made meaningful progress on its asset monetization strategy, aimed at recycling capital from mature road assets into new growth opportunities. During FY25–9MFY26, the company completed the sale of equity stakes in 11 road assets for a total equity consideration of ~Rs19.8bn, against an invested equity of ~Rs14.5bn, resulting in value accretion and balance sheet strengthening. In addition, receivables of ~Rs2.0bn are expected over time as per transaction terms. Monetization of the remaining HAM asset (PNC Challakere, Karnataka) is targeted by Mar'26, which should further enhance liquidity and support future EPC and HAM bidding activity.

## Shareholding (as of Dec'25)

- PNCL is primarily promoted and owned by the Jain family and they own 56% stake. Mr. Pradeep Kumar Jain is the key promoter, driving the company's strategy and leadership.
- DILs have 26% stake, with 1%+ held by HDFC MF, ICICI Pru MF, HSBC, UTI, Nippon, Tata MF, and Axis MF each.

## Experienced management team with vast experience

**Mr. Pradeep Kumar Jain, Chairman & Managing Director:** With over 47 years of experience, he is a veteran in the construction, operation and management of infrastructure projects. His leadership extends to administration, relationship management, and overall corporate governance, ensuring the company's strategic direction aligns with its long-term goal.

**Mr. Naveen Kumar Jain, Promoter:** He has over 33 years of experience across industries such as construction, cold storage, transportation, machineries and transport organization.

**Mr. Chakresh Kumar Jain, Managing Director:** He brings over 3.5 decades of dedicated experience to the infrastructure sector. His expertise has been instrumental in the construction of vital projects like highways, airports, and rail overbridges. He oversees critical aspects of the company, including finance, procurement, taxation, and project administration, maintaining the company's financial health and operational efficiency.

**Mr. Yogesh Jain, Managing Director:** His track record of over 3 decades in project planning, execution, and supervision spans diverse sectors and geographies. His leadership has been pivotal in ensuring the successful completion of projects from conceptualization to handover. He is responsible for business development, contracting, and construction management, contributing to the company's growth and reputation.

**Mr. Anil Kumar Rao, Whole-Time Director:** With over 41 years of experience, his expertise includes highways, bridges, airport pavements, rail track construction, heavy industrial structures, and industrial area development. He oversees overall planning, detailed engineering, monitoring, execution, operation, management, contract administration, and arbitration matters, ensuring the successful and timely delivery of projects.

**Mr. Talluri Raghupati Rao, Whole-Time Director:** He is a seasoned professional with 4 decades of experience in planning, engineering, implementing, and managing a wide array of infrastructure projects. These include highways, expressways, bridges, airports, ports, industrial areas, water supply, and urban infrastructure. He holds expertise in various PPP models and manages diverse responsibilities within the company, including business development, project monitoring, and contract administration.

## Financials

### Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	<b>55,131</b>	<b>49,818</b>	<b>61,201</b>	<b>72,921</b>
YoY gr. (%)	(28.4)	(9.6)	22.8	19.2
Cost of Goods Sold	37,921	36,616	45,900	55,785
Gross Profit	17,210	13,202	15,300	17,136
Margin (%)	31.2	26.5	25.0	23.5
Employee Cost	3,495	3,722	3,964	4,222
Other Expenses	3,226	3,388	3,659	3,952
<b>EBITDA</b>	<b>10,489</b>	<b>6,092</b>	<b>7,677</b>	<b>8,963</b>
YoY gr. (%)	(17.9)	(41.9)	26.0	16.7
Margin (%)	19.0	12.2	12.5	12.3
Depreciation and Amortization	900	1,044	1,267	1,437
<b>EBIT</b>	<b>9,589</b>	<b>5,047</b>	<b>6,411</b>	<b>7,526</b>
Margin (%)	17.4	10.1	10.5	10.3
Net Interest	763	847	918	1,094
Other Income	663	835	1,094	821
<b>Profit Before Tax</b>	<b>9,489</b>	<b>5,035</b>	<b>6,587</b>	<b>7,253</b>
Margin (%)	17.2	10.1	10.8	9.9
Total Tax	2,433	1,309	1,713	1,886
Effective tax rate (%)	25.6	26.0	26.0	26.0
<b>Profit after tax</b>	<b>7,056</b>	<b>3,726</b>	<b>4,874</b>	<b>5,367</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>3,823</b>	<b>3,726</b>	<b>4,874</b>	<b>5,367</b>
YoY gr. (%)	(39.5)	(2.5)	30.8	10.1
Margin (%)	6.9	7.5	8.0	7.4
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>7,056</b>	<b>3,726</b>	<b>4,874</b>	<b>5,367</b>
YoY gr. (%)	(17.0)	(47.2)	30.8	10.1
Margin (%)	12.8	7.5	8.0	7.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	7,056	3,726	4,874	5,367
<b>Equity Shares O/s (m)</b>	<b>257</b>	<b>257</b>	<b>257</b>	<b>257</b>
<b>EPS (Rs)</b>	<b>14.9</b>	<b>14.5</b>	<b>19.0</b>	<b>20.9</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>13,284</b>	<b>17,284</b>	<b>19,784</b>	<b>22,284</b>
Tangibles	-	-	-	-
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>9,205</b>	<b>10,249</b>	<b>11,516</b>	<b>12,953</b>
Tangibles	-	-	-	-
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>4,079</b>	<b>7,035</b>	<b>8,268</b>	<b>9,331</b>
Tangibles	4,079	7,035	8,268	9,331
Intangibles	-	-	-	-
Capital Work In Progress	-	-	-	-
Goodwill	-	-	-	-
Non-Current Investments	21,161	12,805	16,805	22,805
Net Deferred tax assets	318	318	318	318
Other Non-Current Assets	3,810	4,000	4,200	4,410
<b>Current Assets</b>				
Investments	-	-	-	-
Inventories	8,611	8,434	10,323	12,336
Trade receivables	17,292	12,693	15,929	18,979
Cash & Bank Balance	6,822	16,139	13,106	9,518
Other Current Assets	16,598	16,598	16,598	16,598
<b>Total Assets</b>	<b>81,016</b>	<b>80,288</b>	<b>88,121</b>	<b>97,184</b>
<b>Equity</b>				
Equity Share Capital	513	513	513	513
Other Equity	54,237	57,809	62,529	67,742
<b>Total Networth</b>	<b>54,750</b>	<b>58,322</b>	<b>63,042</b>	<b>68,256</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	72	72	72	72
Provisions	170	170	170	170
Other non current liabilities	3,250	3,184	3,897	4,657
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	3,926	1,926	926	426
Trade payables	9,083	7,204	8,819	10,538
Other current liabilities	5,655	5,386	6,269	7,180
<b>Total Equity &amp; Liabilities</b>	<b>81,015</b>	<b>80,288</b>	<b>88,121</b>	<b>97,184</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	9,489	5,035	6,587	7,253
Add. Depreciation	900	1,044	1,267	1,437
Add. Interest	763	847	918	1,094
Less Financial Other Income	663	835	1,094	821
Add. Other	(302)	(835)	(1,094)	(821)
Op. profit before WC changes	10,850	6,092	7,677	8,963
Net Changes-WC	(2,854)	2,619	(2,221)	(1,989)
Direct tax	(2,484)	(1,309)	(1,713)	(1,886)
<b>Net cash from Op. activities</b>	<b>5,512</b>	<b>7,402</b>	<b>3,743</b>	<b>5,088</b>
Capital expenditures	(260)	(4,000)	(2,500)	(2,500)
Interest / Dividend Income	156	835	1,094	821
Others	(5,322)	8,166	(4,200)	(6,210)
<b>Net Cash from Inv. activities</b>	<b>(5,425)</b>	<b>5,001</b>	<b>(5,606)</b>	<b>(7,889)</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	177	(2,084)	(98)	460
Dividend paid	(154)	(154)	(154)	(154)
Interest paid	(763)	(847)	(918)	(1,094)
Others	(49)	-	-	-
<b>Net cash from Fin. activities</b>	<b>(789)</b>	<b>(3,085)</b>	<b>(1,170)</b>	<b>(787)</b>
<b>Net change in cash</b>	<b>(702)</b>	<b>9,317</b>	<b>(3,033)</b>	<b>(3,588)</b>
Free Cash Flow	5,252	3,402	1,243	2,588

**Key Financial Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E	
<b>Per Share(Rs)</b>					
EPS		14.9	14.5	19.0	20.9
CEPS		18.4	18.6	23.9	26.5
BVPS		213.4	227.3	245.7	266.1
FCF		20.5	13.3	4.8	10.1
DPS		0.6	0.6	0.6	0.6
<b>Return Ratio(%)</b>					
RoCE		17.4	8.5	10.3	11.3
ROIC		14.7	8.6	9.7	9.8
RoE		7.5	6.6	8.0	8.2
<b>Balance Sheet</b>					
Net Debt : Equity (x)		(0.1)	(0.2)	(0.2)	(0.1)
Net Working Capital (Days)		111	102	104	104
<b>Valuation(x)</b>					
PER		15.6	16.0	12.2	11.1
P/B		1.1	1.0	0.9	0.9
P/CEPS		12.6	12.5	9.7	8.7
EV/EBITDA		5.4	7.4	6.2	5.6
EV/Sales		1.0	0.9	0.8	0.7
Dividend Yield (%)		0.3	0.3	0.3	0.3

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
<b>Net Revenue</b>	<b>14,146</b>	<b>11,365</b>	<b>9,830</b>	<b>10,564</b>
YoY gr. (%)	(39.6)	(34.9)	(14.5)	(12.3)
Raw Material Expenses	10,715	8,239	6,760	7,566
Gross Profit	3,431	3,126	3,071	2,998
Margin (%)	24.3	27.5	31.2	28.4
<b>EBITDA</b>	<b>1,758</b>	<b>1,405</b>	<b>1,362</b>	<b>1,309</b>
YoY gr. (%)	(68.9)	(76.3)	2.0	(10.3)
Margin (%)	12.4	12.4	13.9	12.4
Depreciation / Depletion	223	195	207	259
<b>EBIT</b>	<b>1,535</b>	<b>1,210</b>	<b>1,155</b>	<b>1,051</b>
Margin (%)	10.9	10.7	11.7	9.9
Net Interest	266	212	221	216
Other Income	289	101	191	222
<b>Profit before Tax</b>	<b>1,558</b>	<b>1,100</b>	<b>1,177</b>	<b>1,057</b>
Margin (%)	11.0	9.7	12.0	10.0
Total Tax	348	293	315	282
Effective tax rate (%)	22.4	26.6	26.8	26.7
<b>Profit after Tax</b>	<b>1,210</b>	<b>807</b>	<b>862</b>	<b>774</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>1,210</b>	<b>807</b>	<b>824</b>	<b>774</b>
YoY gr. (%)	(34.4)	(17.4)	1.8	(6.3)
Margin (%)	8.6	7.1	8.4	7.3
Extra Ord. Income / (Exp)	-	-	(38)	-
<b>Reported PAT</b>	<b>1,210</b>	<b>807</b>	<b>862</b>	<b>774</b>
YoY gr. (%)	(69.9)	(80.8)	6.5	(6.3)
Margin (%)	8.6	7.1	8.8	7.3
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>1,210</b>	<b>807</b>	<b>862</b>	<b>774</b>
Avg. Shares O/s (m)	-	-	-	-
<b>EPS (Rs)</b>	<b>4.7</b>	<b>3.1</b>	<b>3.4</b>	<b>3.0</b>

Source: Company Data, PL Research

**Price Chart**

**Recommendation History**



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	2023-02-01	Buy	183	153
2	2023-05-01	Buy	204	154
3	2023-08-01	Hold	135	127
4	2023-11-01	Hold	148	152
5	2024-02-01	Buy	200	156
6	2024-05-01	Buy	423	356
7	2024-08-01	Buy	324	270
8	2024-11-01	Buy	1,028	750
9	2025-02-01	Sell	183	314
10	2025-05-01	Buy	276	223
11	2025-08-01	Hold	359	366

**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	KNR Constructions	Hold	148	152
5	NCC	BUY	200	156
6	NTPC	BUY	423	356
7	Power Grid Corporation of India	BUY	324	270
8	PSP Projects	BUY	1,028	750
9	Rail Vikas Nigam	Sell	183	314
10	RITES	BUY	276	223
11	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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