Retail Equity Research

NCC Ltd.

BUY

Sector: Construction & Engineering

02nd January 2026

Key Changes	Target		Rating		Earnings	
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	
Small Cap	NJCC:IN	85,189	NCC	500294	12 Months	

Target	Rs.201
CMP	Rs.162
Return	+24%

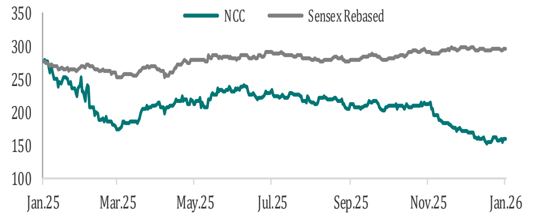
Data as of: 01-01-2026, 18:00 hrs

Company Data	
Market Cap (Rs Cr)	9,709
52 Week High — Low (Rs.)	281-152
Enterprise Value (cr)	9,591
Outstanding Shares (cr)	62.8
Free Float (%)	77.9
Dividend Yield (%)	0.9
6m average volume (cr)	0.47
Beta	1.32
Face value (Rs)	2

Shareholding (%)	Q4FY25	Q1FY26	Q2FY26
Promoters	22.1	22.1	22.1
FII's	13.8	12.7	12.9
MFs/Insti	15.6	17.5	16.7
Public	48.5	47.7	48.4
Total	100.0	100.0	100.0
Promoter Pledge (%)	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-24%	-29%	-42%
Absolute Sensex	5%	2%	9%
Relative Return*	-29%	-31%	-51%

*over or under performance to benchmark index



Standalone (cr)	FY26E	FY27E	FY28E
Sales	19,420	22,453	24,914
Growth (%)	1.1	15.6	11.0
EBITDA	1,709	2,021	2,292
EBITDA Margin(%)	8.8	9.0	9.2
PAT Adj.	791	975	1,148
Growth (%)	-1.0	23.1	17.8
Adj.EPS	13	16	18
Growth (%)	-1.0	23.1	17.8
P/E	13	10	9
P/B	1.1	1.0	0.9
EV/EBITDA	6	5	4
ROE (%)	10.1	11.3	11.9
D/E	0.3	0.2	0.2

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Headwinds largely priced in; Execution to pick up…

NCC Ltd (NCC) is one of the largest, well diversified construction companies in India, with a foothold in every segment of the construction sector.

- In H1FY26, NCC's standalone order book expanded by 23% YoY to Rs.64,326cr (3.5x TTM revenue), supported by a strong order inflow of Rs.6,223cr, marking a 31% YoY increase. The management has reaffirmed its order inflow guidance of Rs.22,000–Rs.25,000cr for FY26.
- The order book is largely concentrated in the building (31%), transportation (24%), and electrical T&D (21%) segments).
- During October to December period the company received fresh orders worth Rs 11,369cr (incl Rs6,829cr of mining orders), providing healthy execution visibility for the coming quarters.
- In Q2 the gross margin remained flat at 15.2% due to a steep fall in subcontracting expenses. While EBITDA margin declined by 158 bps YoY to 7.4%, due to lower execution and higher expenses. The management refrained from giving margin guidance for FY26 owing to the near-term execution hurdles, though NCC expects to achieve 9% margin in H2FY26.
- We expect execution to pick up in H2FY26 (~16% YoY), as the company has received approvals for major pending projects like smart metering, and two tunnel projects in Mumbai.

Outlook & Valuation

We expect the near-term outlook to remain subdued due to continued delays in JJM project payments and challenges in working capital management. However, the strong order book and healthy traction in new project awards provide good revenue visibility. **We project a revenue CAGR of 9% over FY25–FY27, with a meaningful recovery expected from H2FY26. We maintain BUY rating and value NCC at 11x FY27E EPS with a revised target price of Rs.201**.

Quarterly Financials Standalone

Rs.cr	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%
Sales	3,726	4,445	-16.2	4,378	-14.9	8,105	9,158	-11.5
EBITDA	278	401	-30.8	395	-29.7	672	841	-20.0
Margin (%)	7.4	9.0	-158bps	9.0	-157bps	8.3	9.2	-88bps
EBIT	222	347	-36.1	341	-34.9	563	734	-23.3
PBT	117	218	-46.3	241	-51.4	358	485	-26.2
Rep. PAT	101	161	-37.1	190	-46.9	291	361	-19.4
Adj PAT	101	161	-37.1	190	-46.9	291	361	-19.4
EPS (Rs)	1.6	2.6	-37.1	3.0	-46.9	4.6	5.8	-19.4

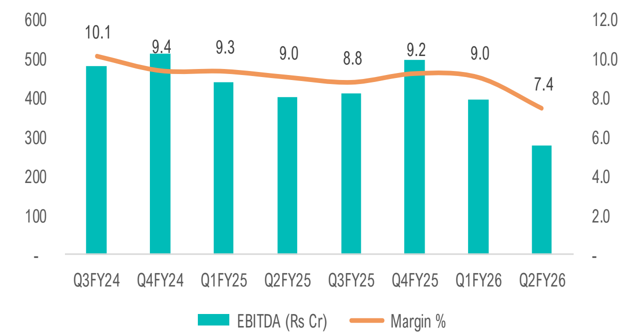
Key Concall Highlights

- The consolidated order book grew by 37% YoY to Rs.71,957cr in H1FY26, aided by water, irrigation, electrical (T&D) segments.
- The company has L1 (lowest bidder) status for projects worth Rs.1,000-1,500cr.
- The company sees a healthy prospective project pipeline of about Rs.2,50,000cr.
- The company increased their FY26 capex budget from Rs.750cr to Rs.1,050cr.
- JJM order book stands at Rs.7,000cr (UP Rs.3,840cr), with Rs.1,082cr executed in H1FY26 and receivables currently steady at Rs.1,700cr levels, NCC expects some payment in Q3FY26.
- The tunnel projects in Maharashtra were slow-moving in H1FY26, but now NCC has got all the clearances to execute them and expects a good turnover in H2FY26.
- Guidance for order inflow is Rs.22,000cr to Rs.25,000cr in FY26.

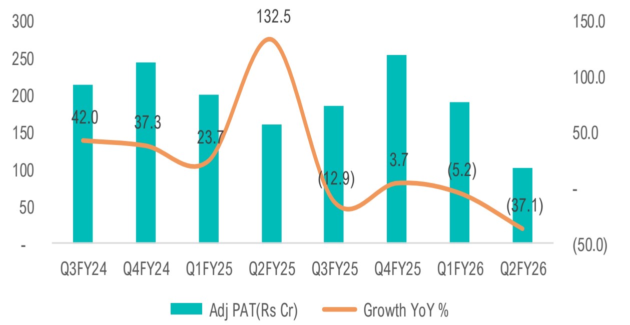
Revenue

Order Book

EBITDA



PAT



Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	21,540	24,920	19,420	22,453	-9.8	-9.9
EBITDA	1,982	2,342	1,709	2,021	-13.8	-13.7
Margins (%)	9.2	9.4	8.8	9.0	-40bps	-40bps
Adj. PAT	937	1,160	791	975	-15.5	-16.0
EPS	14.9	18.5	12.6	15.5	-15.5	-15.9

Standalone Financials

PROFIT & LOSS

Y.E March (Rs. cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	**18,314**	**19,205**	**19,420**	**22,453**	**24,914**
% change	37.2	4.9	1.1	15.6	11.0
EBITDA	**1,648**	**1,746**	**1,709**	**2,021**	**2,292**
% change	22.8	5.9	-2.1	18.2	13.4
Depreciation	209	213	218	237	261
EBIT	**1,439**	**1,533**	**1,491**	**1,783**	**2,031**
Interest	595	653	656	667	688
Other Income	124.1	187.0	200.0	210.0	220.0
PBT	**911**	**1,028**	**1,034**	**1,326**	**1,563**
% change	16.1	12.8	0.6	28.2	17.8
Tax	280	267	243	351	414
Tax Rate (%)	31	26	24	27	27
Reported PAT	**631**	**761**	**791**	**975**	**1,148**
Adj*	57	-39	0	0	0
Adj PAT	**688**	**800**	**791**	**975**	**1,148**
% change	20.9	16.2	-1.0	23.1	17.8
No. of shares (cr)	**63**	**63**	**63**	**63**	**4**
Adj EPS (Rs.)	11	13	13	16	18
% change	20.9	16.2	-1.0	23.1	17.8
DPS (Rs.)	0.2	0.2	0.2	0.2	0.2

BALANCE SHEET

Y.E March (Rs. cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash	1,044	1,338	2,243	1,767	1,750
Accounts Receivable	2,791	3,098	2,926	3,568	3,959
Inventories	1,434	1,392	1,354	1,563	1,730
Other Cur. Assets	9,658	11,260	11,227	12,980	14,403
Investments	1,178	1,383	1,660	1,992	2,391
Gross Fixed Assets	3,010	3,360	4,110	4,460	4,810
Net Fixed Assets	1,126	1,265	1,798	1,913	2,003
CWIP	40	37	50	50	50
Intangible Assets	1	1	1	0	0
Def. Tax (Net)	59	41	47	53	61
Other Assets	-	-	-	-	-
Total Assets	**17,331**	**19,815**	**21,305**	**23,887**	**26,347**
Current Liabilities	9,346	10,727	10,829	12,505	13,843
Provisions	150	167	176	203	225
Debt Funds	1,008	1,484	2,124	2,079	2,034
Other Liabilities	23	-	-	-	-
Equity Capital	126	126	126	126	126
Reserves & Surplus	6,678	7,311	8,051	8,974	10,119
Shareholder's Fund	6,804	7,437	8,177	9,100	10,245
Total Liabilities	**17,331**	**19,815**	**21,305**	**23,887**	**26,347**
BVPS (Rs.)	**122**	**134**	**147**	**164**	**184**

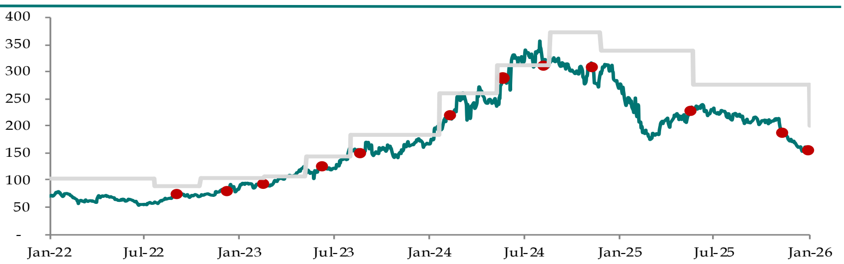
CASH FLOW

Y.E March (Rs. cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Net inc. + Depn.	**1,121**	**1,241**	**1,253**	**1,563**	**1,824**
Non-cash adj.	304	403	407	309	266
Changes in W.C	-38	-492	354	-901	-621
C.F. Operation	**1511**	**1,340**	**2,214**	**1,182**	**1,689**
Capital exp.	-275	-353	-737	-350	-350
Change in inv.	-82	-205	-277	-332	-398
Other invest.CF	0	0	0	0	0
C.F – Investment	**-481**	**-745**	**-1214**	**-892**	**-968**
Issue of equity	0	0	0	0	0
Issue/repay debt	29	476	640	-45	-45
Dividends paid	-51	-51	-51	-51	-4
Other finance.CF	-14	-73	-27	-2	-2
C.F – Finance	**-632**	**-301**	**-95**	**-765**	**-739**
Chg. in cash	398	293	905	-475	-18
Closing cash	1,044	1,338	2,243	1,767	1,750

RATIOS

Y.E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	9.0	9.1	8.8	9.0	9.2
EBIT margin (%)	7.9	8.0	7.7	7.9	8.2
Net profit mgn.(%)	3.8	4.2	4.1	4.3	4.6
ROE (%)	10.5	11.2	10.1	11.3	11.9
ROCE (%)	11.6	13.1	11.4	11.3	11.6
W.C & Liquidity					
Receivables (days)	57.2	56.0	56.6	52.8	55.1
Inventory (days)	29.2	31.5	30.4	28.0	28.6
Payables (days)	128.2	158.0	187.4	186.6	193.9
Current ratio (x)	1.6	1.6	1.6	1.6	1.6
Quick ratio (x)	0.4	0.4	0.3	0.3	0.3
Turnover & Leverage					
Gross asset T.O (x)	6.4	6.0	5.2	5.2	5.4
Total asset T.O (x)	1.1	1.0	0.9	1.0	1.0
Int. coverage ratio (x)	2.4	2.3	2.3	2.7	3.0
Adj. debt/equity (x)	0.1	0.2	0.3	0.2	0.2
Valuation					
EV/Sales (x)	0.5	0.5	0.5	0.4	0.4
EV/EBITDA (x)	5.9	5.6	5.6	5.0	4.4
P/E (x)	14.8	12.7	12.8	10.4	8.8
P/BV (x)	1.3	1.2	1.1	1.0	0.9

Recommendation Summary (last 3 years)



Dates	Rating	Target
24-Feb-2023	BUY	107
07-Jun-2023	BUY	147
13-Feb-2023	BUY	261
29-May-2024	Accumulate	313
19-Aug-2024	BUY	374
25-Nov-2024	BUY	340
21-May-2025	BUY	277
02-Jan-2026	BUY	201

Investment rating criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%
Not rated/Neutral			

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition: Upgrade No Change Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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