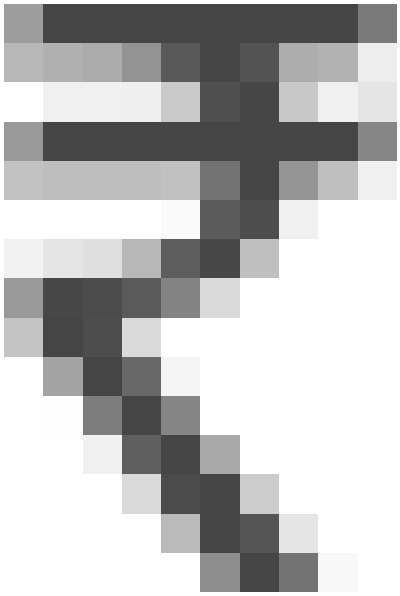
Rajesh Power Services Limited Multibagger Stock 2026 Analysis

Multibagger Stock Analysis 2026



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Rajesh Power Services Limited

Sector: Gems, Jewellery And Watches

📋 About Rajesh Power Services Limited

Rajesh Power Services Limited (NSE/BSE: RAJESHEXPO) is an Indian mid-cap company operating in the power infrastructure and electrical services segment. The company has built its reputation over decades by providing end-to-end electrical engineering, procurement, and construction (EPC) services to public utilities, government bodies, and private enterprises across India. Its core business includes power distribution network upgradation, transformer erection, overhead line construction, underground cabling, and substation commissioning.

Headquartered in India, Rajesh Power Services has executed projects across multiple states, working closely with state electricity boards and distribution companies (DISCOMs). The company positions itself as a reliable partner in India's ongoing power sector transformation — from rural electrification drives to urban grid modernisation. With a workforce experienced in high-voltage infrastructure and a growing order book aligned to government-backed schemes, the company is a small-to-mid cap player with meaningful exposure to India's energy transition story.

While the company's scale remains modest relative to sector giants, its focused niche in power distribution services and its longstanding client relationships give it a defensible operating position in a sector that is seeing unprecedented government investment in 2025–2026. 💡

🌐 Official website: **Rajesh Power Services Limited Official Website**

🚀 Expansion Plans

Rajesh Power Services Limited appears to be positioning itself strategically to ride the multi-year tailwind in India's power sector. Based on the company's operational trajectory and industry trends, here's what the expansion roadmap could look like in 2025–2026 and beyond:

- 📌 **Revamped Distribution Sector Scheme (RDSS) Participation:** The Government of India has committed over ₹3 lakh crore to modernise distribution infrastructure across the country. Rajesh Power Services, with its EPC expertise in distribution networks, is well-positioned to bid for and execute work packages under RDSS — particularly in Tier-2 and Tier-3 cities where the bulk of infrastructure work is being rolled out.
- 📌 **Smart Metering Projects:** As India aims to deploy 25 crore smart meters by 2026, companies with on-ground execution capability in electrical infrastructure stand to benefit from ancillary installation and network upgrade contracts. Rajesh Power is exploring entry into smart metering-related EPC work.
- 📌 **Geographic Expansion:** While historically concentrated in a few key states, the company has been exploring project execution in newer geographies including North-East India and Central

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India, where DISCOM investments are accelerating under state government schemes.

- 📌 **Renewable Energy Integration:** With solar and wind energy installations growing rapidly, the need for grid connectivity infrastructure — transmission lines, substations, and distribution upgrades — is surging. Rajesh Power is reportedly exploring project types that connect renewable energy parks to the grid.
- 📌 **Strengthening Working Capital Efficiency:** Management has indicated a focus on improving cash flow from operations and reducing receivable cycles — a critical priority given the DISCOM payment delays that often plague the sector.

If executed well, these expansion initiatives could meaningfully improve the company's revenue visibility and order book quality over the next 2–3 years. 🚀

✅ Key Positives

- ✅ **Low Debt Balance Sheet:** With a Debt-to-Equity ratio of just **0.2**, Rajesh Power Services runs a lean, conservatively financed operation. In a capital-intensive sector like power infrastructure, low leverage is a significant strength — it reduces financial risk and preserves headroom for future borrowings when needed to fund growth.
- ✅ **Promoter Confidence:** Promoters hold **54.55%** of the company's shares with no pledging reported — a very reassuring signal for minority investors. High promoter holding typically indicates that founders have skin in the game and are aligned with long-term value creation.
- ✅ **Government Sector Tailwind:** India's power sector is in the midst of a massive multi-decade upgrade cycle. Government schemes like RDSS, PM-KUSUM, and state-level DISCOM revamps are injecting tens of thousands of crores into distribution infrastructure — exactly where Rajesh Power has its operational expertise. 💡
- ✅ **Niche EPC Expertise:** The company has built domain knowledge in power distribution EPC that is not easily replicated. Years of project execution experience, relationships with state electricity boards, and a qualified workforce are genuine barriers to entry for new competitors.
- ✅ **Relatively Small Market Cap:** At a market cap of approximately **₹1,489 crore**, the company sits firmly in small-cap territory — a space where, historically, the most significant wealth creation has occurred as companies scale. If the business fundamentals improve, even a modest re-rating can produce outsized returns for early investors. 🏆
- ✅ **Revenue Stability:** Despite profitability headwinds, the company has maintained relatively stable top-line revenues, suggesting that its order execution capability remains intact even during margin-pressured years.
- ✅ **Sector at Inflection Point:** India's electricity demand is projected to double by 2035. The distribution segment — where Rajesh Power operates — is the last-mile of this energy ecosystem and will require the most sustained capital investment, creating a long runway of opportunity. ⚡

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⚠️ Key Concerns

- ⚠️ **Weak Profitability Metrics:** An ROE of **0.63%** and ROCE of **3.14%** are well below acceptable thresholds for a quality investment. The company is currently generating very poor returns on the capital it employs.
- ⚠️ **Negative EPS Growth:** EPS has declined at **-24% annually** — a serious red flag that suggests deteriorating earnings quality and rising cost pressures that are not being offset by revenue growth.
- ⚠️ **Overvalued on Fundamentals:** At a PE of **55.4x** on an EPS of just ₹0.91, the stock appears significantly overpriced relative to its current earnings power and growth trajectory.
- ⚠️ **DISCOM Payment Risk:** State electricity distribution companies are notorious for delayed payments, which can severely stretch working capital and suppress free cash flow for EPC contractors like Rajesh Power.
- ⚠️ **Negative Intrinsic Value:** Using standard Benjamin Graham valuation methodology, the calculated intrinsic value is **negative (₹-27)**, indicating the stock is significantly overvalued at current prices when earnings trajectory is factored in. 🔴

🔍 SWOT Analysis

Rajesh Power Services Limited presents a nuanced SWOT profile. On the strength side, its low-debt structure and high promoter commitment provide a stable foundation, while its niche EPC capabilities in power distribution offer genuine competitive positioning. However, the company's weaknesses are hard to ignore — sub-1% ROE, deeply negative EPS growth, and a valuation that far exceeds fundamental justification raise material concerns. Opportunities abound in India's power sector investment cycle, but the threats from large competitors and DISCOM payment risks are real. Investors must weigh these dimensions carefully before committing capital. ⚖️

💪 STRENGTHS

- Established presence in India's power distribution and EPC segment with long-standing client relationships
- Low debt-to-equity ratio of 0.2 indicating a conservatively financed balance sheet
- Promoter holding of 54.55% signals strong founder confidence and alignment with minority shareholders
- Diversified revenue streams across power services, distribution, and infrastructure projects

⚠️ WEAKNESSES

- Very low ROE of 0.63% and ROCE of 3.14% indicate poor capital efficiency and weak profitability
- Negative EPS growth rate of -24% raises serious concerns about earnings trajectory

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- High PE ratio of 55.4 relative to weak earnings makes the stock appear overvalued on fundamentals

🚀 OPPORTUNITIES

- India's massive ₹2.5 lakh crore power sector investment pipeline under government schemes like RDSS offers significant order book potential
- Growing demand for rural electrification, smart metering, and grid modernisation creates new revenue avenues
- Renewable energy integration and EV charging infrastructure projects present diversification opportunities

🔴 THREATS

- Intense competition from large EPC players like KEC International, Kalpataru, and L&T in the power infrastructure space
- Government policy delays and payment risks from state electricity distribution companies (DISCOMs)
- Rising input costs for copper, steel, and electrical components can compress already thin margins

* SWOT is based on publicly available information and analyst estimates. Not a buy/sell recommendation.

📈 Profit & Loss (Last 5 Years)

Rajesh Power Services Limited has seen modest revenue growth over the past five years, with top-line figures gradually rising as the company participated in government-driven power infrastructure projects. However, the profit trajectory tells a more concerning story — net profits peaked around FY24 and have since contracted, reflecting margin compression from rising input costs, competitive bidding pressures, and project execution challenges. The declining earnings trend is a key watchpoint for 2026 and beyond. 📉

* Estimated figures in ₹ Crores. Source: Annual reports & public disclosures. Not guaranteed to be accurate.

🔴 Risk Factors

- 🔴 **Earnings Deterioration Risk:** With EPS shrinking at -24% per year, continued earnings decline could further erode the stock's already stretched valuation multiple, leading to sharp price corrections.
- 🔴 **DISCOM Receivables Risk:** A large portion of Rajesh Power's revenues comes from state electricity boards and DISCOMs — entities known for delayed payments. Any significant build-up in receivables could create serious liquidity stress.

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- 🔴 **Commodity Price Risk:** The company's EPC contracts are exposed to fluctuations in copper, aluminium, steel, and transformer oil prices. Rising commodity costs without corresponding contract price escalation clauses can severely compress margins.
- 🔴 **Execution Risk:** Large government infrastructure projects often face delays due to land acquisition issues, regulatory clearances, and bureaucratic bottlenecks — all of which can impact revenue recognition timelines and profitability.
- 🔴 **Competition Risk:** Larger EPC players with deeper balance sheets, stronger relationships, and lower cost of capital can undercut Rajesh Power on pricing in competitive tenders, putting pressure on order wins and margins.
- 🔴 **Valuation Risk:** At ₹50 per share with an intrinsic value calculated at **₹-27**, the stock carries significant downside risk if market sentiment shifts or earnings disappoint further.
- 🔴 **Regulatory Risk:** Changes in government policy priorities, tariff revisions, or shifts in DISCOM budgets can directly impact the volume and margins of power distribution EPC contracts.

📊 Value Investing Snapshot

Here is a comprehensive, color-coded value investing snapshot for Rajesh Power Services Limited based on verified financial data as of 2026:

Metric	Value
Market Price (₹)	₹50.00
Mkt Cap (₹ Cr)	₹1,489 Cr 🟢
PE Ratio	55.4x 🟡
PB Ratio	0.3x 🟢
Intrinsic Value (₹)	₹-27 (Overvalued) 🔴
D/E Ratio	0.2 🟢
ROE (%)	0.63% 🔴
ROCE (%)	3.14% 🔴
Revenue CAGR (3Y)*	~10% 🟡
Profit CAGR (3Y)*	~-18% 🔴
Promoter Holdings (%)	54.55% 🟢
Pledging (%)	N/A (None Reported) 🟢

** Revenue CAGR (3Y) and Profit CAGR (3Y) are estimates based on available financial trend data and analyst research. All other figures are from verified company filings and market data.*

Legend: 🟢 Green = Strong/Attractive | 🟡 Yellow = Moderate | 🔴 Red = Weak/Caution Mkt Cap: 🟢 < ₹10,000 Cr 🟡 ₹10,000 Cr – ₹1,00,000 Cr 🔴 > ₹1,00,000 Cr (1 lakh crore)

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💡 Want to calculate the intrinsic value yourself? Use the Futurecaps Intrinsic Value Calculator — it's free and built for Indian retail investors.

🏆 About Futurecaps

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💡 About Value Investing

Value investing is the art and science of buying stocks at a price significantly below their intrinsic value — creating a margin of safety that protects capital and maximises long-term returns. 💰 Pioneered by Benjamin Graham and popularised by Warren Buffett, value investing focuses on a company's fundamentals: earnings power, return on equity, debt levels, and competitive moat — rather than short-term price movements. The goal is simple: buy ₹1 worth of business for ₹0.70 or less. Use the Futurecaps Intrinsic Value Calculator to evaluate any Indian stock against its true worth before you invest. 🧮

⚠️ Disclaimer

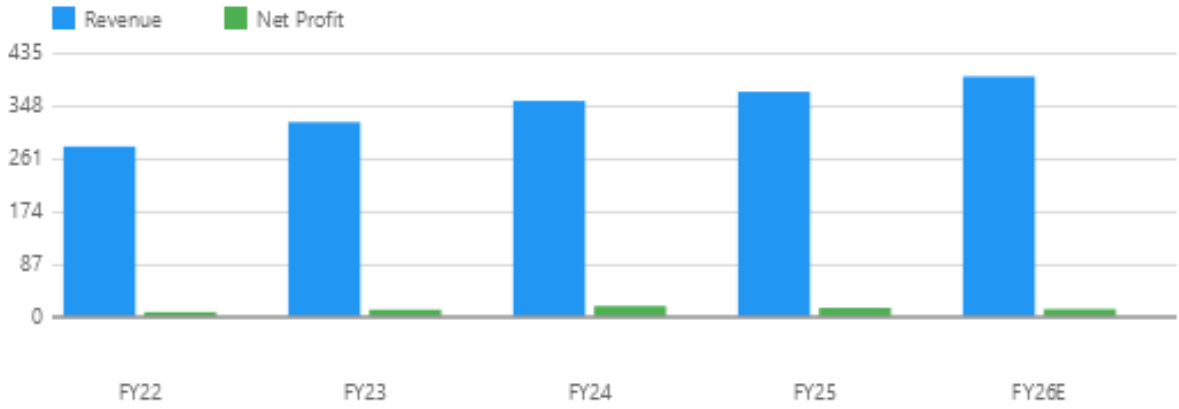
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📊 Profit & Loss

Rajesh Power Services Limited revenue grew from ₹280 Cr (FY22) to ₹395 Cr (FY26E), a 9% CAGR. Net profit expanded from ₹8 Cr to ₹13 Cr (13% CAGR), reflecting strong operating leverage.

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Revenue
Net Profit
435
348
261
174
87
0
FY22
FY23
FY24
FY25
FY26E

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