

January 29, 2026

## Q3FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
<b>Rating</b>	<b>BUY</b>		<b>BUY</b>	
<b>Target Price</b>	<b>4,806</b>		<b>4,766</b>	
Sales (Rs. m)	34,37,102	39,27,359	34,00,008	38,64,564
% Chng.	1.1	1.6		
EBITDA (Rs. m)	3,83,651	4,45,704	3,82,852	4,39,270
% Chng.	0.2	1.5		
EPS (Rs.)	170.4	200.3	168.9	196.3
% Chng.	0.9	2.1		

### Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. bn)	2,557	2,952	3,437	3,927
EBITDA (Rs. bn)	264	308	384	446
Margin (%)	10.3	10.4	11.2	11.3
PAT (Rs. bn)	147	185	234	275
EPS (Rs.)	106.9	134.9	170.4	200.3
Gr. (%)	13.4	26.1	26.4	17.5
DPS (Rs.)	28.0	41.8	42.6	50.1
Yield (%)	0.7	1.1	1.1	1.3
RoE (%)	16.0	17.4	18.7	18.6
RoCE (%)	10.4	11.2	12.3	12.4
EV/Sales (x)	2.3	2.0	1.8	1.6
EV/EBITDA (x)	22.1	19.1	16.2	13.8
PE (x)	35.5	28.1	22.3	18.9
P/BV (x)	5.3	4.5	3.8	3.2

### Key Data

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52-W High / Low	Rs.4,195 / Rs.2,965
Sensex / Nifty	82,345 / 25,343
Market Cap	Rs.5,219bn/ \$ 56,861m
Shares Outstanding	1,376m
3M Avg. Daily Value	Rs.7103.26m

### Shareholding Pattern (%)

Promoter's	-
Foreign	20.06
Domestic Institution	42.99
Public & Others	36.95
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(6.3)	10.9	11.1
Relative	(3.2)	8.9	2.4

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## Execution remains key amid retained guidance

### Quick Pointers:

- Strong order prospects worth Rs5.9trn for Q4FY26 (vs Rs5.5trn YoY) mainly led by CarbonLite and Precision Engineering.
- Management retained its guidance of ~10% order intake growth and ~15% revenue growth with P&M margin of 8.5% in FY26.

**Larsen & Toubro (L&T) reported consolidated revenue growth of 10.5% YoY, while EBITDA margin expanded by 71bps YoY to 10.4%. Infrastructure projects delivered healthy execution internationally, while domestic execution was impacted by headwinds in central-funded water projects. Energy projects continued to see strong execution; however, cost overruns in select hydrocarbon projects weighed on margins, which are expected to remain soft over the next 2-3 quarters. In Hi-tech manufacturing, an execution ramp-up in Precision Engineering drove growth, while L&T's participation in the 87 MALE drone procurement program with its technology partner, General Atomics, further strengthens its growth prospects. Management remains optimistic, supported by an anticipated pickup in private capex, an improving share of private-sector opportunities (~35% of domestic infrastructure prospects), and expansion into new verticals such as data centers, semiconductors, and electrolyzers, while reiterating its ~15% YoY revenue growth guidance and ~8.5% P&M margins for FY26. We maintain our 'Buy' rating valuing the core business at a PE of 22x Sep'27E (same as earlier) arriving at a SoTP-derived TP of Rs4,806 (Rs4,766 earlier).**

**Long-term view:** We believe L&T is well-placed to benefit in the long-run owing to 1) strong international prospects led by Middle East, 2) healthy domestic pipeline on the back of public-driven capex and uptick in private capex, and 3) liquidation of loss-making development project, and 4) penetration in newer areas such as green energy, electrolyzers, semiconductors, data centers, EMS etc. The stock is currently trading at a P/E of 22.3x/18.9x on FY27/28E earnings.

**Headwinds in water drag execution of infrastructure segment:** Consolidated revenue rose 10.5% YoY to Rs714.5bn (PLe: Rs753.7bn) driven by healthy execution. Infrastructure revenue grew by 4.9% YoY to Rs340.0bn, Energy revenue was up 15.2% YoY to Rs127.3bn, Hi-Tech Manufacturing revenue was up 30.6% YoY to Rs33.8bn, Financial Services grew 15.3% YoY to Rs44.8bn, ITTS grew 11.9% YoY to Rs136.8bn and Others segment was up 49.5% YoY to Rs28.2bn. Meanwhile, Development Projects were down 19.1% YoY to Rs11.6bn. EBITDA grew 18.6% YoY to Rs74.2bn (PLe: Rs77.2bn). EBITDA margin improved by 71bps YoY to 10.4% primarily due to lower employee costs (-51bps YoY as % of sales). Adj. PAT rose 35.7% YoY to Rs45.6bn (PLe: Rs42.8bn) aided by higher other income (up 48.9% YoY to Rs14.4bn).

**Strong order book of Rs7.3trn with robust inflows:** Consolidated order inflows came in at Rs1.4trn, up 16.8% YoY. Order book stands at ~Rs7.3trn (2.6x TTM revenue), up 29.9% YoY.

**Exhibit 1: Higher other income (+48.9%) aided adj. PAT growth of 35.7% YoY to Rs45.6bn**

Y/e March (Rs mn)	Q3FY26	Q3FY25	YoY gr.	Q3FY26E	% Var.	Q2FY26	QoQ gr.	9MFY26	9MFY25	YoY gr.
<b>Revenue</b>	<b>714,497</b>	<b>646,678</b>	<b>10.5%</b>	<b>753,658</b>	<b>-5.2%</b>	<b>679,835</b>	<b>5.1%</b>	<b>2,031,122</b>	<b>1,813,422</b>	<b>12.0%</b>
Gross Profit	251,611	226,959	10.9%	262,273	-4.1%	243,951	3.1%	730,043	657,367	11.1%
Margin (%)	35.2	35.1	12	34.8	42	35.9	(67)	35.9	36.3	(31)
Employee Cost	127,999	119,122	7.5%	133,548	-4.2%	129,860	-1.4%	384,243	344,114	11.7%
as % of sales	17.9	18.4	(51)	17.7	19	19.1	(119)	18.9	19.0	(6)
Other expenditure	31,710	28,855	9.9%	33,915	-6.5%	28,958	9.5%	88,525	84,643	4.6%
as % of sales	4.4	4.5	(2)	4.5	(6)	4.3	18	4.4	4.7	(31)
Finance cost of fin. serv. business	17,734	16,433	7.9%	17,600	0.8%	17,068	3.9%	51,866	46,288	12.0%
as % of sales	2.5	2.5	(6)	2.3	15	2.5	(3)	2.6	2.6	0
<b>EBITDA</b>	<b>74,168</b>	<b>62,549</b>	<b>18.6%</b>	<b>77,210</b>	<b>-3.9%</b>	<b>68,064</b>	<b>9.0%</b>	<b>205,409</b>	<b>182,322</b>	<b>12.7%</b>
Margin (%)	10.4	9.7	71	10.2	14	10.0	37	10.1	10.1	6
Depreciation	10,717	10,470	2.4%	11,000	-2.6%	10,918	-1.8%	31,968	30,688	4.2%
<b>EBIT</b>	<b>63,451</b>	<b>52,079</b>	<b>21.8%</b>	<b>66,210</b>	<b>-4.2%</b>	<b>57,146</b>	<b>11.0%</b>	<b>173,441</b>	<b>151,634</b>	<b>14.4%</b>
Margin (%)	8.9	8.1	83	8.8	10	8.4	47	8.5	8.4	18
Other Income	14,410	9,679	48.9%	9,250	55.8%	13,843	4.1%	41,821	29,898	39.9%
Interest	6,251	8,427	-25.8%	8,000	-21.9%	7,628	-18.0%	21,696	25,885	-16.2%
<b>PBT (ex. Extra-ordinaries)</b>	<b>71,610</b>	<b>53,330</b>	<b>34.3%</b>	<b>67,460</b>	<b>6.2%</b>	<b>63,361</b>	<b>13.0%</b>	<b>193,566</b>	<b>155,648</b>	<b>24.4%</b>
Margin (%)	10.0	8.2	178	9.0	107	9.3	70	9.5	8.6	95
Extraordinary Items	(13,438)	-	-	-	-	-	-	(13,438)	-	-
<b>PBT</b>	<b>58,172</b>	<b>53,330</b>	<b>9.1%</b>	<b>67,460</b>	<b>-13.8%</b>	<b>63,361</b>	<b>-8.2%</b>	<b>180,129</b>	<b>155,648</b>	<b>15.7%</b>
Total Tax	19,880	13,320	49.2%	17,540	13.3%	16,490	20.6%	51,710	40,108	28.9%
Effective Tax Rate (%)	34.2	25.0	920	26.0	817	26.0	815	28.7	25.8	294
<b>PAT before MI &amp; JV</b>	<b>38,292</b>	<b>40,010</b>	<b>-4.3%</b>	<b>49,921</b>	<b>-23.3%</b>	<b>46,871</b>	<b>-18.3%</b>	<b>128,419</b>	<b>115,539</b>	<b>11.1%</b>
<b>Reported PAT</b>	<b>32,151</b>	<b>33,588</b>	<b>-4.3%</b>	<b>42,821</b>	<b>-24.9%</b>	<b>39,261</b>	<b>-18.1%</b>	<b>107,584</b>	<b>95,398</b>	<b>12.8%</b>
<b>Adj. PAT</b>	<b>45,589</b>	<b>33,588</b>	<b>35.7%</b>	<b>42,821</b>	<b>6.5%</b>	<b>39,261</b>	<b>16.1%</b>	<b>121,022</b>	<b>95,398</b>	<b>26.9%</b>
<b>Adj. EPS</b>	<b>33.1</b>	<b>24.4</b>	<b>35.7%</b>	<b>31.1</b>	<b>6.5%</b>	<b>28.5</b>	<b>16.1%</b>	<b>88.0</b>	<b>69.4</b>	<b>26.9%</b>

Source: Company, PL

**Exhibit 2: Lower water execution dragged Infra projects; cost overruns in Hydrocarbon projects pressurized Energy margins**

Segment Performance	Q3FY26	Q3FY25	YoY gr.	Q3FY26E	% Var.	Q2FY26	QoQ gr.	9MFY26	9MFY25	YoY gr.
<b>Revenue (Rs mn)</b>										
Infrastructure Projects	340,042	324,080	4.9%	374,971	-9.3%	321,486	5.8%	951,842	919,397	3.5%
Energy Projects	127,304	110,554	15.2%	139,422	-8.7%	130,903	-2.7%	382,951	284,356	34.7%
Hi-Tech Manufacturing	33,820	25,891	30.6%	30,470	11.0%	28,308	19.5%	95,749	66,847	43.2%
IT & Technology Services	136,765	122,189	11.9%	138,074	-0.9%	133,535	2.4%	397,090	357,362	11.1%
Financial Services	44,768	38,813	15.3%	41,529	7.8%	41,663	7.5%	126,141	113,819	10.8%
Development Projects	11,605	14,346	-19.1%	15,206	-23.7%	15,330	-24.3%	39,359	41,448	-5.0%
Others	28,217	18,874	49.5%	21,598	30.6%	16,120	75.0%	59,529	51,774	15.0%
<b>Total</b>	<b>722,521</b>	<b>654,746</b>	<b>10.4%</b>	<b>761,271</b>	<b>-5.1%</b>	<b>687,347</b>	<b>5.1%</b>	<b>2,052,662</b>	<b>1,835,003</b>	<b>11.9%</b>
Less: Inter-segment revenue	8,024	8,068	-0.5%	7,613	5.4%	7,511	6.8%	21,540	21,582	-0.2%
<b>Net Revenue</b>	<b>714,497</b>	<b>646,678</b>	<b>10.5%</b>	<b>753,658</b>	<b>-5.2%</b>	<b>679,835</b>	<b>5.1%</b>	<b>2,031,122</b>	<b>1,813,422</b>	<b>12.0%</b>
<b>EBIT (Rs mn)</b>										
Infrastructure Projects	16,951	14,148	19.8%	19,124	-11.4%	16,375	3.5%	46,059	41,650	10.6%
Energy Projects	6,773	8,386	-19.2%	9,341	-27.5%	8,863	-23.6%	24,055	22,169	8.5%
Hi-Tech Manufacturing	5,357	3,886	37.9%	3,717	44.1%	3,452	55.2%	13,102	8,652	51.4%
IT & Technology Services	22,160	18,338	20.8%	22,506	-1.5%	22,108	0.2%	64,722	58,251	11.1%
Financial Services	10,207	8,239	23.9%	9,635	5.9%	9,889	3.2%	29,528	26,858	9.9%
Development Projects	1,589	1,488	6.8%	852	86.6%	870	82.7%	3,891	4,319	-9.9%
Others	8,178	4,245	92.7%	4,492	82.0%	4,099	99.5%	16,520	10,989	50.3%
<b>Total</b>	<b>71,216</b>	<b>58,730</b>	<b>21.3%</b>	<b>69,667</b>	<b>2.2%</b>	<b>65,656</b>	<b>8.5%</b>	<b>197,877</b>	<b>172,888</b>	<b>14.5%</b>
<b>EBIT Margin (%)</b>										
Infrastructure Projects	5.0	4.4	62	5.1	-12	5.1	-11	4.8	4.5	31
Energy Projects	5.3	7.6	-227	6.7	-138	6.8	-145	6.3	7.8	-151
Hi-Tech Manufacturing	15.8	15.0	83	12.2	364	12.2	365	13.7	12.9	74
IT & Technology Services	16.2	15.0	120	16.3	-10	16.6	-35	16.3	16.3	0
Financial Services	22.8	21.2	157	23.2	-40	23.7	-94	23.4	23.6	-19
Development Projects	13.7	10.4	332	5.6	809	5.7	802	9.9	10.4	-53
Others	29.0	22.5	650	20.8	818	25.4	355	27.8	21.2	653

Source: Company, PL

**Exhibit 3: SOTP Valuation – Core business accounts for ~72% of the SOTP**

Particulars	Earnings/Book (Rs mn)	Valuation Basis	Target Multiple (x)	Stake (%)	Value (Rs bn)	Fair Value (Rs)	Basis
L&T Core Business	215,520	P/E	22	100	4,741,432	3,447	22x Sep'27 EPS
L&T Power development	22,897	P/B	1	100	22,897	17	1x equity investment
L&T Hyderabad Metro	20,000	P/B	1	100	20,000	15	1x equity value
Other Businesses	65,236	P/B	1	100	65,236	47	1x equity investment
<b>Total</b>						<b>3,526</b>	
<b>Subsidiaries</b>							
L&T Finance	795,947	Target Mcap		66	524,210	381	Target Mcap
LTI Mindtree	1,931,331	Target Mcap		69	1,324,893	963	Target Mcap
L&T Technology Services	476,029	Target Mcap		74	351,023	255	Target Mcap
<b>Total Subsidiaries</b>				20% holding co. disc.	<b>1,870,108</b>	<b>1,280</b>	
<b>Grand Total</b>						<b>4,806</b>	

Source: Company, PL

## Conference Call Highlights

- **Guidance:** Management reiterated its FY26 guidance, expecting order inflows to exceed ~10% YoY, revenue growth of ~15% YoY, and Project & Manufacturing margins of ~8.5%, supported by operational efficiencies across businesses. Net working capital to revenue is targeted at ~10% versus ~12% earlier, aided by better collections and disciplined project execution.
- **Order Prospects:** Total order prospects stand at ~Rs5.9trn (vs Rs5.5trn YoY), driven by CarbonLite and Hi-Tech Manufacturing, with Infrastructure prospects flat at ~Rs4.02trn. Domestic infrastructure prospects account for ~Rs2.6trn with an increasing private sector share (~35%), while international infrastructure prospects are ~Rs1.4trn. Hydrocarbon/CarbonLite prospects stand at ~Rs1.26trn/~Rs0.4trn while Hi-Tech manufacturing prospects stand at ~Rs0.42trn (vs Rs0.07trn YoY). **Management expects \$4.5bn Kuwait cancelled projects, where L&T was L1, to be refloated in mid-term.**
- **Infrastructure Projects:** Infrastructure order inflows were supported by strong private sector demand from commercial buildings, data centers, semiconductors, renewables, minerals & metals, and transmission, though domestic execution was impacted by delays in water projects and funding constraints in certain central-funded water projects. Excluding water, infrastructure growth would have been ~8-9% in Q3FY26, with management adopting a selective bidding approach for water projects (~Rs720bn pipeline) and increasing focus on international opportunities, particularly in the Middle East.
- **Energy Projects:** Hydrocarbon order book stands at ~Rs1.8trn, largely international, with execution timelines averaging ~29 months; margins remain subdued due to cost overruns in a few competitively priced projects but are expected to normalize over the next 2-3 quarters. The company also expects incremental opportunities of 4-5GW from thermal power additions in India in coming years. CarbonLite continues to scale, with an order book of ~Rs0.65trn and receipt of an Lol for another ultra-mega order, while execution timelines are longer at ~48 months.
- **Hi-Tech Manufacturing:** Order inflows moderated due to project finalization delays, though prospects remain strong at ~Rs0.42trn YoY, led by Precision Engineering. The order book comprises ~Rs315bn in Precision Engineering and ~Rs63bn in Heavy Engineering, with a favorable job mix aiding margin improvement. L&T will participate in the 87 MALE drone program with General Atomics as the technology partner, reinforcing its defence manufacturing presence.
- **Development Projects (including Others):** Hyderabad Metro performance improved operationally with higher average fares (Rs47 vs Rs38 YoY), though daily average ridership moderated slightly to 4.14 lakh (vs 4.45 lakh YoY). Nabha Power saw margin improvement driven by operational efficiency while revenue was lower due to lower power demand. In Others, L&T Realty recorded robust order inflows with its highest-ever pre-sales of ~Rs50bn, supporting margin expansion through higher handovers.

## Financials

### Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	<b>25,57,345</b>	<b>29,51,518</b>	<b>34,37,102</b>	<b>39,27,359</b>
YoY gr. (%)	15.7	15.4	16.5	14.3
Cost of Goods Sold	9,65,662	10,59,595	12,09,860	13,70,648
Gross Profit	15,91,683	18,91,923	22,27,242	25,56,711
Margin (%)	62.2	64.1	64.8	65.1
Employee Cost	4,67,687	5,21,471	5,85,612	6,50,029
Other Expenses	2,75,336	3,27,618	3,84,955	4,43,792
<b>EBITDA</b>	<b>2,64,347</b>	<b>3,07,906</b>	<b>3,83,651</b>	<b>4,45,704</b>
YoY gr. (%)	12.5	16.5	24.6	16.2
Margin (%)	10.3	10.4	11.2	11.3
Depreciation and Amortization	41,212	43,076	45,845	52,365
<b>EBIT</b>	<b>2,23,136</b>	<b>2,64,830</b>	<b>3,37,806</b>	<b>3,93,339</b>
Margin (%)	8.7	9.0	9.8	10.0
Net Interest	33,344	28,833	34,200	35,526
Other Income	41,248	49,290	52,244	54,394
<b>Profit Before Tax</b>	<b>2,35,788</b>	<b>2,85,287</b>	<b>3,55,850</b>	<b>4,12,207</b>
Margin (%)	9.2	9.7	10.4	10.5
Total Tax	58,914	71,892	90,742	1,05,113
Effective tax rate (%)	25.0	25.2	25.5	25.5
<b>Profit after tax</b>	<b>1,76,874</b>	<b>2,13,395</b>	<b>2,65,108</b>	<b>3,07,095</b>
Minority interest	26,362	28,076	30,883	31,810
Share Profit from Associate	(141)	(155)	(170)	(170)
<b>Adjusted PAT</b>	<b>1,47,091</b>	<b>1,85,474</b>	<b>2,34,395</b>	<b>2,75,455</b>
YoY gr. (%)	13.4	26.1	26.4	17.5
Margin (%)	5.8	6.3	6.8	7.0
Extra Ord. Income / (Exp)	3,562	-	-	-
<b>Reported PAT</b>	<b>1,50,652</b>	<b>1,85,474</b>	<b>2,34,395</b>	<b>2,75,455</b>
YoY gr. (%)	15.4	23.1	26.4	17.5
Margin (%)	5.9	6.3	6.8	7.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,50,652	1,85,474	2,34,395	2,75,455
<b>Equity Shares O/s (m)</b>	<b>1,375</b>	<b>1,375</b>	<b>1,375</b>	<b>1,375</b>
<b>EPS (Rs)</b>	<b>106.9</b>	<b>134.9</b>	<b>170.4</b>	<b>200.3</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>5,82,590</b>	<b>6,26,983</b>	<b>6,77,127</b>	<b>7,32,225</b>
Tangibles	2,97,929	3,42,323	3,92,467	4,47,564
Intangibles	2,84,661	2,84,661	2,84,661	2,84,661
<b>Acc: Dep / Amortization</b>	<b>1,56,644</b>	<b>1,99,719</b>	<b>2,45,564</b>	<b>2,97,929</b>
Tangibles	1,56,644	1,99,719	2,45,564	2,97,929
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>4,25,946</b>	<b>4,27,264</b>	<b>4,31,564</b>	<b>4,34,296</b>
Tangibles	1,41,286	1,42,603	1,46,903	1,49,635
Intangibles	2,84,661	2,84,661	2,84,661	2,84,661
Capital Work In Progress	23,909	29,515	34,371	39,274
Goodwill	-	-	-	-
Non-Current Investments	7,81,626	9,22,052	9,87,239	11,29,323
Net Deferred tax assets	33,829	33,829	33,829	33,829
Other Non-Current Assets	72,414	82,642	92,802	1,06,039
<b>Current Assets</b>				
Investments	4,33,606	4,76,967	4,76,967	4,76,967
Inventories	76,706	88,950	1,03,584	1,18,359
Trade receivables	5,37,137	6,14,563	7,15,671	8,06,992
Cash & Bank Balance	2,29,653	1,77,657	2,18,035	2,74,075
Other Current Assets	7,57,173	8,26,425	9,62,389	10,99,661
<b>Total Assets</b>	<b>37,57,312</b>	<b>41,47,794</b>	<b>46,24,113</b>	<b>51,32,998</b>
<b>Equity</b>				
Equity Share Capital	2,750	2,750	2,750	2,750
Other Equity	9,73,806	11,48,690	13,56,302	16,04,798
<b>Total Network</b>	<b>9,76,556</b>	<b>11,51,441</b>	<b>13,59,052</b>	<b>16,07,548</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	9,36,980	9,36,980	9,36,980	9,36,980
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	3,58,613	3,73,613	7,50,560	7,65,560
Trade payables	5,24,593	6,06,476	7,06,254	7,96,232
Other current liabilities	8,16,917	9,35,631	10,89,561	12,44,973
<b>Total Equity &amp; Liabilities</b>	<b>37,57,312</b>	<b>41,47,794</b>	<b>49,86,060</b>	<b>54,94,945</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	2,31,040	2,85,287	3,55,850	4,12,207
Add. Depreciation	41,212	43,076	45,845	52,365
Add. Interest	33,344	28,833	34,200	35,526
Less Financial Other Income	41,248	49,290	52,244	54,394
Add. Other	(37,336)	-	-	-
Op. profit before WC changes	2,68,260	3,57,196	4,35,895	5,00,098
Net Changes-WC	(1,20,642)	(1,65,019)	(1,37,419)	(1,63,132)
Direct tax	(56,011)	(71,892)	(90,742)	(1,05,113)
<b>Net cash from Op. activities</b>	<b>91,607</b>	<b>1,20,284</b>	<b>2,07,734</b>	<b>2,31,854</b>
Capital expenditures	(58,249)	(50,000)	(55,000)	(60,000)
Interest / Dividend Income	22,278	-	-	-
Others	(1,19,204)	(69,937)	(35,659)	(36,690)
<b>Net Cash from Invst. activities</b>	<b>(1,55,175)</b>	<b>(1,19,937)</b>	<b>(90,659)</b>	<b>(96,690)</b>
Issue of share cap. / premium	93	-	-	-
Debt changes	1,57,146	15,000	15,000	15,000
Dividend paid	(38,496)	(38,510)	(57,497)	(58,599)
Interest paid	(36,095)	(28,833)	(34,200)	(35,526)
Others	(16,796)	-	-	-
<b>Net cash from Fin. activities</b>	<b>65,853</b>	<b>(52,343)</b>	<b>(76,697)</b>	<b>(79,124)</b>
<b>Net change in cash</b>	<b>2,285</b>	<b>(51,996)</b>	<b>40,378</b>	<b>56,039</b>
Free Cash Flow	47,419	70,284	1,52,734	1,71,854

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Per Share(Rs)</b>				
EPS	106.9	134.9	170.4	200.3
CEPS	136.9	166.2	203.8	238.4
BVPS	710.0	837.2	988.1	1,168.8
FCF	34.5	51.1	111.1	125.0
DPS	28.0	41.8	42.6	50.1
<b>Return Ratio(%)</b>				
RoCE	10.4	11.2	12.3	12.4
ROIC	11.3	11.6	12.2	12.1
RoE	16.0	17.4	18.7	18.6
<b>Balance Sheet</b>				
Net Debt : Equity (x)	0.6	0.6	0.7	0.6
Net Working Capital (Days)	13	12	12	12
<b>Valuation(x)</b>				
PER	35.5	28.1	22.3	18.9
P/B	5.3	4.5	3.8	3.2
P/CEPS	136.9	166.2	203.8	238.4
EV/EBITDA	22.1	19.1	16.2	13.8
EV/Sales	2.3	2.0	1.8	1.6
Dividend Yield (%)	0.7	1.1	1.1	1.3

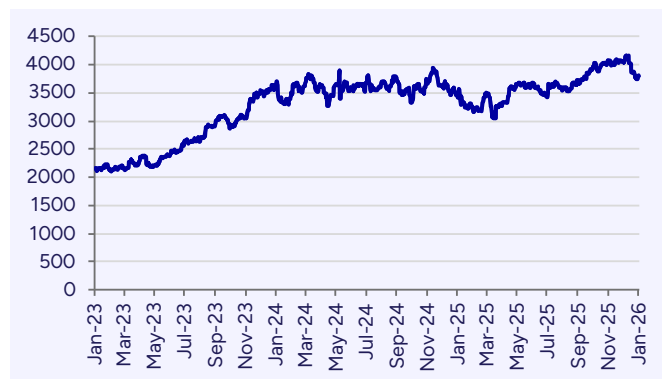
Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
<b>Net Revenue</b>	<b>7,43,923</b>	<b>6,36,789</b>	<b>6,79,835</b>	<b>7,14,497</b>
YoY gr. (%)	10.9	15.5	10.4	10.5
Raw Material Expenses	4,90,653	4,02,308	4,35,885	4,62,886
Gross Profit	2,53,270	2,34,481	2,43,951	2,51,611
Margin (%)	34.0	36.8	35.9	35.2
<b>EBITDA</b>	<b>82,025</b>	<b>63,177</b>	<b>68,064</b>	<b>74,168</b>
YoY gr. (%)	13.4	12.5	7.0	18.6
Margin (%)	11.0	9.9	10.0	10.4
Depreciation / Depletion	10,524	10,333	10,918	10,717
<b>EBIT</b>	<b>71,501</b>	<b>52,844</b>	<b>57,146</b>	<b>63,451</b>
Margin (%)	9.6	8.3	8.4	8.9
Net Interest	7,459	7,816	7,628	6,251
Other Income	11,351	13,568	13,843	14,410
<b>Profit before Tax</b>	<b>80,140</b>	<b>58,595</b>	<b>63,361</b>	<b>71,610</b>
Margin (%)	10.8	9.2	9.3	10.0
Total Tax	18,806	15,340	16,490	19,880
Effective tax rate (%)	23.5	26.2	26.0	27.8
<b>Profit after Tax</b>	<b>61,334</b>	<b>43,256</b>	<b>46,871</b>	<b>51,730</b>
Minority interest	6,586	7,010	7,519	6,095
Share Profit from Associates	224	(74)	(91)	(46)
<b>Adjusted PAT</b>	<b>51,339</b>	<b>36,172</b>	<b>39,261</b>	<b>45,589</b>
YoY gr. (%)	18.8	29.8	15.6	35.7
Margin (%)	6.9	5.7	5.8	6.4
Extra Ord. Income / (Exp)	3,634	-	-	-
<b>Reported PAT</b>	<b>54,973</b>	<b>36,172</b>	<b>39,261</b>	<b>45,589</b>
YoY gr. (%)	25.0	29.8	15.6	35.7
Margin (%)	7.4	5.7	5.8	6.4
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>54,973</b>	<b>36,172</b>	<b>39,261</b>	<b>45,589</b>
Avg. Shares O/s (m)	1,375	1,375	1,375	1,375
<b>EPS (Rs)</b>	<b>37.3</b>	<b>26.3</b>	<b>28.5</b>	<b>33.1</b>

Source: Company Data, PL Research

## Price Chart



## Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Jan-26	BUY	4,766	4,157
2	30-Oct-25	BUY	4,766	3,958
3	07-Oct-25	BUY	4,144	3,730
4	30-Jul-25	BUY	4,144	3,496
5	09-Jul-25	BUY	4,037	3,607
6	09-May-25	BUY	4,004	3,324
7	09-Apr-25	BUY	3,920	3,161
8	31-Jan-25	BUY	4,025	3,421

## Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	Accumulate	5,540	4,695
2	Apar Industries	Hold	9,431	8,184
3	BEML	Hold	1,982	1,861
4	Bharat Electronics	Hold	407	416
5	BHEL	Hold	245	263
6	Carborundum Universal	Hold	894	824
7	Cummins India	Hold	4,172	4,148
8	Elgi Equipments	Accumulate	561	472
9	Engineers India	BUY	255	205
10	GE Vernova T&D India	BUY	4,005	3,151
11	Grindwell Norton	Hold	1,744	1,576
12	Harsha Engineers International	Hold	407	395
13	Hindustan Aeronautics	BUY	5,507	4,525
14	Ingersoll-Rand (India)	Accumulate	4,271	3,395
15	Kalpataru Projects International	BUY	1,494	1,174
16	KEC International	BUY	932	717
17	Kirloskar Pneumatic Company	BUY	1,557	1,068
18	Larsen & Toubro	BUY	4,766	4,157
19	Praj Industries	Hold	353	322
20	Siemens	Accumulate	3,470	3,134
21	Siemens Energy India	Accumulate	3,312	2,603
22	Thermax	Accumulate	3,513	3,069
23	Triveni Turbine	Accumulate	609	533
24	Voltamp Transformers	BUY	10,318	7,720

## 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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