

# Larsen & Toubro (LT IN)

**Q4FY26 Result Update**

May 06, 2026

 Estimate Change |  Target |  Reco.

## Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	4,632		4,806	
Sales (INR mn)	3,173,199	3,608,526	3,253,165	3,823,010
% Chng.	(2.5)	(5.6)		
EBITDA (INR mn)	324,583	392,496	343,661	434,281
% Chng.	(5.6)	(9.6)		
EPS (INR)	135.4	174.2	147.3	194.4
% Chng.	(8.1)	(10.4)		

## Key Data

LART.BO | LT IN

BSE Code	500510
NSE Code	LT
52-W High / Low	INR 4,440 / INR 3,284
Face Value	2
Sensex / Nifty	77,018 / 24,033
Market Cap	INR 5,578 bn / \$ 58,532 mn
Shares Outstanding	1375.63 mn
3M Avg. Daily Value	INR 14,835.35 mn

## Shareholding Pattern (%)

Promoters	-
FII	20.06
Mutual Funds	20.37
Domestic Institutions	22.62
Public & Others	36.95
Promoter's Pledge (INR bn)	-

## Stock Performance (%)

	1M	3M	6M	12M
Absolute	12.2	(0.2)	3.3	21.7
Relative	6.8	7.9	12.0	27.7

## Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	2,557,345	2,858,744	3,173,199	3,608,526
EBITDA (INR mn)	264,347	291,511	324,583	392,496
Margin (%)	10.3	10.2	10.2	10.9
PAT (INR mn)	146,810	173,544	186,368	239,653
EV (INR mn)	6,387,315	6,183,012	6,082,664	6,189,906
Total Debt (INR mn)	1,295,593	1,216,830	1,216,830	1,458,489
C&C Eq. (INR mn)	121,870	153,912	254,260	388,678
EPS (INR)	106.7	126.2	135.5	174.2
Gr. (%)	12.8	18.2	7.4	28.6
DPS (INR)	28.0	28.0	33.9	43.6
Yield (%)	0.7	0.7	0.8	1.1
RoE (%)	16.0	16.8	15.8	17.3
RoCE (%)	10.4	10.8	11.5	12.5
EV/Sales (x)	2.5	2.2	1.9	1.7
EV/EBITDA (x)	24.2	21.2	18.7	15.8
PE (x)	38.0	32.1	29.9	23.3
P/BV (x)	5.7	5.1	4.4	3.7

**Mixed Q4, supply chain disruptions to dampen H1FY27**

## Quick Pointers

- Order prospects worth INR17.8trn for FY27 declined YoY (vs INR19.02trn) and are primarily driven by Infra and Hydrocarbon
- Management has guided for ~10-12% order intake growth and ~10-12% YoY revenue growth with PP&M margin of ~7.8% for FY27

Larsen & Toubro (L&T) reported a mixed Q4FY26 performance with revenue growth of 11.3% YoY, while EBITDA margin contracted 62bps YoY to 10.4%, reflecting project mix and cost pressures. Management maintained a cautious near-term outlook amid ongoing Middle East conflict, guiding for ~10-12% growth in revenue and order inflows for FY27 with flattish PP&M margins (~7.8%), indicating limited margin expansion in FY27. Furthermore, the company's Lakshya 31 guidance implies steady growth, with order inflow and revenue CAGR targets of 10-12% and 12-15%, respectively, over FY26-31. However, the ROE guidance of 16-17% for the same period (vs. 16.6% in FY26) remains underwhelming. While the order pipeline (~INR17.8trn) and order book (~INR7.4trn) remain robust with high exposure to the Middle East (~78% of international OB Rs3.28trn), execution is expected to remain soft in H1FY27 due to supply chain constraints and delays in domestic projects amid geopolitical uncertainties, with recovery likely in H2FY27. The Energy segment faced margin pressure due to legacy projects which are now largely concluded, while Infrastructure execution remains uneven. Segment restructuring and non-core asset divestment (Hyderabad Metro and Nabha Power) are likely to improve focus on core businesses and result in better capital allocation in mid-term while its foray into new businesses such as defence, electronics, data centers and green energy are likely to open new avenues for growth in long term. We revise our FY27-28 EPS estimates by -8.0%/-10.4% factoring in supply chain constraints and execution challenges. We maintain 'Buy' rating and roll forward to Mar'28 with a revised SoTP-derived TP of Rs4,632 (Rs4,806 earlier), valuing the core business at a P/E of 22x Mar'28E (22x Sep'27 earlier).

**Long-term view:** Short-term execution risks remain for L&T due to supply chain challenges amid Middle East conflict. Meanwhile, 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 29.9x/23.3x on FY27/28E.

## Quarter Summary

Y/e Mar	Q4'26E	Q4'26A	% Var.	Q4'25A	YoY gr. (%)
Net Sales (INR mn)	8,08,694	8,27,622	2.0	7,43,923	11.0
EBITDA (INR mn)	88,180	86,103	-2.0	82,025	5.0
Margin (%)	10.9	10.4	-50 bps	11.0	-60 bps
PAT (INR mn)	54,352	52,740	-3.0	50,891	4.0

Source: Company, PL

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**Decent execution where margins impacted due to revenue mix:** Consolidated revenue rose 11.3% YoY to INR827.6bn (PL: INR808.7bn) driven by healthy execution across Energy Projects (+35.5% YoY to INR166bn) and Hi-Tech Manufacturing (+40.6% YoY to INR49.1bn). Financial Services grew 22.5% YoY to INR46.7bn, IT & Technology Services grew 12.0% YoY to INR142.4bn and Others segment was down 23.3% YoY to INR20.3bn. Meanwhile, Development Projects were down 4.2% YoY to INR11.8bn largely due to lower plant factor at Nabha Power. EBITDA grew 5.0% YoY to Rs86.1bn (PL: INR88.2bn). EBITDA margin contracted by 62bps YoY to 10.4% primarily due to lower gross margin (-139bps YoY to 32.7%). Adj. PAT rose 6.0% YoY to Rs52.7bn (PL: INR54.4bn) aided by higher other income (up 39.1% YoY to Rs15.8bn).

**Order book stands at ~Rs7.4trn (2.6x TTM revenue) for FY27:** Consolidated order inflows came in at Rs898bn, aided by receipt of multiple ultra-mega order across sectors and geographies. Domestic/International order intake mix stood at 33%/67%. Order book stands at ~Rs7.4trn (2.6x TTM revenue), up 28% YoY, with domestic/international mix of 48%/52%.

**Exhibit 1 : EBITDA margin contracted by 60bps YoY to 10.4% largely due to lower gross margin (-139bps YoY to 32.7%)**

Y/e March (INR mn)	Q4FY26	Q4FY25	YoY gr.	Q4FY26E	% Var.	Q3FY26	QoQ gr.	FY26	FY25	YoY gr.
Revenue	8,27,622	7,43,923	11.3%	8,08,694	2.3%	7,14,497	15.8%	28,58,744	25,57,345	11.8%
Gross Profit	2,70,288	2,53,270	6.7%	2,76,672	-2.3%	2,51,611	7.4%	10,00,332	9,10,638	9.8%
Margin (%)	32.7	34.0	(139)	34.2	(155)	35.2	(256)	35.0	35.6	(62)
Employee Cost	1,37,629	1,23,573	11.4%	1,32,083	4.2%	1,27,999	7.5%	5,21,872	4,67,687	11.6%
as % of sales	16.6	16.6	2	16.3	30	17.9	(129)	18.3	18.3	(3)
Other expenditure	28,469	30,938	-8.0%	37,847	-24.8%	31,710	-10.2%	1,16,995	1,15,581	1.2%
as % of sales	3.4	4.2	(72)	4.7	(124)	4.4	(100)	4.1	4.5	(43)
Finance cost of fin. serv. business	18,088	16,734	8.1%	18,562	-2.6%	17,734	2.0%	69,953	63,022	11.0%
as % of sales	2.2	2.2	(6)	2.3	(11)	2.5	(30)	2.4	2.5	(2)
<b>EBITDA</b>	<b>86,103</b>	<b>82,025</b>	<b>5.0%</b>	<b>88,180</b>	<b>-2.4%</b>	<b>74,168</b>	<b>16.1%</b>	<b>2,91,511</b>	<b>2,64,347</b>	<b>10.3%</b>
Margin (%)	10.4	11.0	(62)	10.9	(50)	10.4	2	10.2	10.3	(14)
Depreciation	11,680	10,524	11.0%	11,248	3.8%	10,717	9.0%	43,648	41,212	5.9%
<b>EBIT</b>	<b>74,423</b>	<b>71,501</b>	<b>4.1%</b>	<b>76,932</b>	<b>-3.3%</b>	<b>63,451</b>	<b>17.3%</b>	<b>2,47,864</b>	<b>2,23,136</b>	<b>11.1%</b>
Margin (%)	9.0	9.6	(62)	9.5	(52)	8.9	11	8.7	8.7	(5)
Other Income	15,786	11,351	39.1%	5,604	181.7%	14,410	9.5%	57,607	41,248	39.7%
Interest	6,793	7,459	-8.9%	7,138	-4.8%	6,251	8.7%	28,488	33,344	-14.6%
<b>PBT (ex. Extra-ordinaries)</b>	<b>83,416</b>	<b>75,392</b>	<b>10.6%</b>	<b>75,399</b>	<b>10.6%</b>	<b>71,610</b>	<b>16.5%</b>	<b>2,76,983</b>	<b>2,31,040</b>	<b>19.9%</b>
Margin (%)	10.1	10.1	(6)	9.3	76	10.0	6	9.7	9.0	65
Extraordinary Items	687	4,748	-	-	-	(17,911)	-	(17,224)	4,748	-
<b>PBT</b>	<b>84,103</b>	<b>80,140</b>	<b>4.9%</b>	<b>75,399</b>	<b>11.5%</b>	<b>53,699</b>	<b>56.6%</b>	<b>2,59,758</b>	<b>2,35,788</b>	<b>10.2%</b>
Total Tax	20,928	18,806	11.3%	13,961	49.9%	15,407	35.8%	68,164	58,914	15.7%
Effective Tax Rate (%)	24.9	23.5	142	18.5	637	28.7	(381)	26.2	25.0	126
<b>PAT before MI &amp; JV</b>	<b>63,175</b>	<b>61,334</b>	<b>3.0%</b>	<b>61,438</b>	<b>2.8%</b>	<b>38,292</b>	<b>65.0%</b>	<b>1,91,594</b>	<b>1,76,874</b>	<b>8.3%</b>
<b>Reported PAT</b>	<b>53,256</b>	<b>54,525</b>	<b>-2.3%</b>	<b>54,352</b>	<b>-2.0%</b>	<b>32,151</b>	<b>65.6%</b>	<b>1,60,840</b>	<b>1,50,652</b>	<b>6.8%</b>
<b>Adj. PAT</b>	<b>52,740</b>	<b>49,777</b>	<b>6.0%</b>	<b>54,352</b>	<b>-3.0%</b>	<b>44,923</b>	<b>17.4%</b>	<b>1,73,544</b>	<b>1,45,905</b>	<b>18.9%</b>
<b>Adj. EPS</b>	<b>38.3</b>	<b>36.2</b>	<b>6.0%</b>	<b>39.5</b>	<b>-3.0%</b>	<b>32.7</b>	<b>17.4%</b>	<b>126.2</b>	<b>106.1</b>	<b>18.9%</b>

Source: Company, PL

**Exhibit 2 : Energy projects EBIT margin contracted (-174bps YoY to 5.8%) due to cost overruns and close out in legacy projects**

Segment Performance	Q4FY26	Q4FY25	YoY gr.	Q4FY26E	% Var.	Q3FY26	QoQ gr.	FY26	FY25	YoY gr.
<b>Revenue (INR mn)</b>										
Infrastructure Projects	4,01,604	3,93,748	2.0%	4,34,485	-7.6%	3,40,042	18.1%	13,86,327	12,98,970	6.7%
Energy Projects	1,66,003	1,22,536	35.5%	1,29,392	28.3%	1,27,304	30.4%	5,12,343	4,06,680	26.0%
Hi-Tech Manufacturing	49,139	34,961	40.6%	33,156	48.2%	33,820	45.3%	1,28,905	96,950	33.0%
IT & Technology Services	1,42,375	1,27,171	12.0%	1,35,425	5.1%	1,36,765	4.1%	5,32,515	4,78,450	11.3%
Financial Services	46,693	38,121	22.5%	40,993	13.9%	44,768	4.3%	1,67,134	1,51,940	10.0%
Development Projects	11,757	12,276	-4.2%	13,277	-11.4%	11,605	1.3%	52,636	53,710	-2.0%
Others	20,251	26,390	-23.3%	29,112	-30.4%	28,217	-28.2%	88,641	70,650	25.5%
<b>Total</b>	<b>8,37,820</b>	<b>7,55,203</b>	<b>10.9%</b>	<b>8,15,839</b>	<b>2.7%</b>	<b>7,22,521</b>	<b>16.0%</b>	<b>28,68,501</b>	<b>25,57,350</b>	<b>12.2%</b>
Less: Inter-segment revenue	10,199	11,280	-9.6%	7,145	42.7%	8,024	27.1%	28,685	32,862	-12.7%
<b>Net Revenue</b>	<b>8,27,622</b>	<b>7,43,923</b>	<b>11.3%</b>	<b>8,08,694</b>	<b>2.3%</b>	<b>7,14,497</b>	<b>15.8%</b>	<b>28,39,816</b>	<b>25,24,488</b>	<b>12.5%</b>
<b>EBIT (INR mn)</b>										
Infrastructure Projects	31,541	27,564	14.4%	28,803	9.5%	16,951	86.1%	74,862	69,215	8.2%
Energy Projects	9,573	9,202	4.0%	17,781	-46.2%	6,773	41.3%	41,836	31,371	33.4%
Hi-Tech Manufacturing	7,949	5,939	33.9%	4,863	63.5%	5,357	48.4%	17,965	14,591	23.1%
IT & Technology Services	21,617	18,571	16.4%	15,155	42.6%	22,160	-2.4%	79,877	76,822	4.0%
Financial Services	10,793	8,055	34.0%	3,899	176.8%	10,207	5.7%	33,427	34,913	-4.3%
Development Projects	1,614	3,253	-50.4%	2,425	-33.5%	1,589	1.6%	6,316	7,572	-16.6%
Others	4,337	8,359	-48.1%	(564)	-868.4%	8,178	-47.0%	15,955	19,348	-17.5%
<b>Total</b>	<b>87,425</b>	<b>80,942</b>	<b>8.0%</b>	<b>72,362</b>	<b>20.8%</b>	<b>71,216</b>	<b>22.8%</b>	<b>2,70,239</b>	<b>2,53,830</b>	<b>6.5%</b>
<b>EBIT Margin (%)</b>										
Infrastructure Projects	7.9	7.0	85	6.6	122	5.0	287	5.4	5.3	7
Energy Projects	5.8	7.5	-174	13.7	-798	5.3	45	8.2	7.7	45
Hi-Tech Manufacturing	16.2	17.0	-81	14.7	151	15.8	34	13.9	15.0	-111
IT & Technology Services	15.2	14.6	58	11.2	399	16.2	-102	15.0	16.1	-106
Financial Services	23.1	21.1	198	9.5	1,360	22.8	31	20.0	23.0	-298
Development Projects	13.7	26.5	-1,277	18.3	-454	13.7	4	12.0	14.1	-210
Others	21.4	31.7	-1,026	-1.9	2,336	29.0	-757	18.0	27.4	-939

Source: Company, PL

**Exhibit 3 : SOTP Valuation – Core business accounts for ~74% of the SOTP**

Particulars	Earnings/Book (INR mn)	Valuation Basis	Target Multiple (x)	Stake (%)	Value (INR bn)	Fair Value (INR)	Basis
L&T Core Business	2,15,271	P/E	22	100	47,35,964	3,443	22x Mar'28 EPS
L&T Power development	36,609	P/B	1	100	36,609	27	1x equity investment
L&T Hyderabad Metro	14,615	P/B	1	100	14,615	11	1x equity value
Other Businesses	56,909	P/B	1	100	56,909	41	1x equity investment
<b>Total</b>						<b>3,522</b>	
<b>Subsidiaries</b>							
L&T Finance	7,81,368	Target Mcap		66	5,14,609	374	Target Mcap
LTI Mindtree	14,50,445	Target Mcap		69	9,95,005	723	Target Mcap
L&T Technology Services	3,89,437	Target Mcap		74	2,87,171	209	Target Mcap
<b>Total Subsidiaries</b>				<b>15% holding co. disc.</b>	<b>15,27,268</b>	<b>1,110</b>	
<b>Grand Total</b>						<b>4,632</b>	

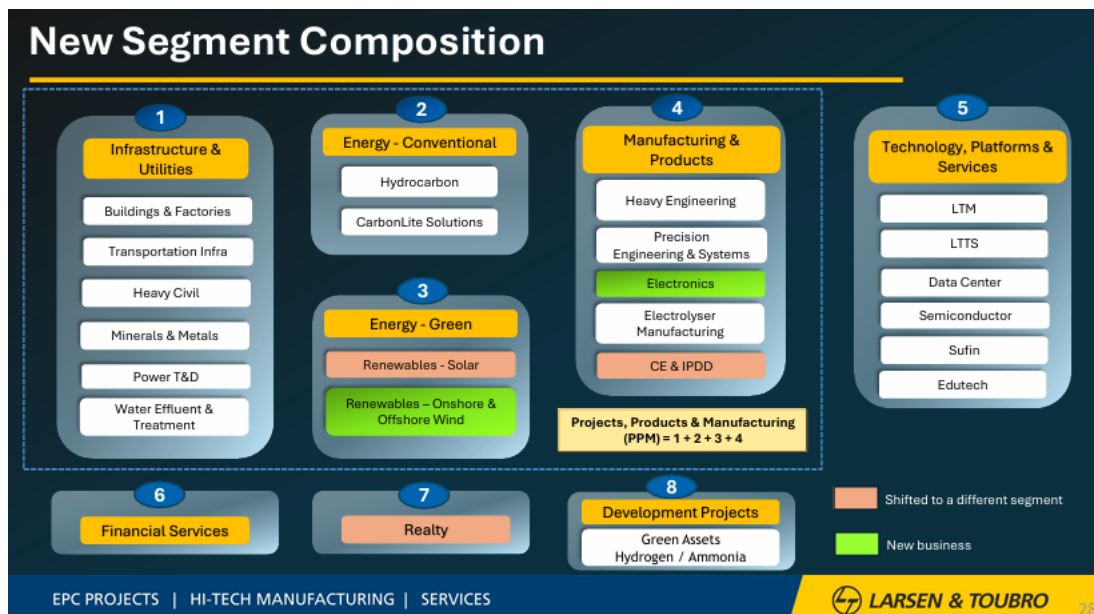
Source: Company, PL

Exhibit 4 : Reclassified PP&M EBITDA margin of 7.8% in FY26 expected to remain flat in FY27

Segment	Revenue (INR mn)					EBITDA%				
	FY22	FY23	FY24	FY25	FY26	FY22	FY23	FY24	FY25	FY26
Infrastructure & utilities	724,040	848,710	948,700	996,770	994,040	8.2%	7.3%	6.6%	6.5%	6.9%
Energy- Conventional	235,930	249,070	295,380	406,520	543,510	7.8%	9.3%	10.1%	8.6%	6.7%
Energy -Green		18,470	176,800	302,200	350,200		-11.7%	4.1%	6.1%	6.9%
Manufacturing & Products	91,860	104,190	121,620	138,120	183,130	18.1%	16.4%	15.9%	17.8%	17.8%
<b>Projects, Products &amp; Manufacturing</b>	<b>1,051,830</b>	<b>1,220,440</b>	<b>1,542,500</b>	<b>1,843,610</b>	<b>2,070,880</b>	<b>9.0%</b>	<b>8.2%</b>	<b>7.7%</b>	<b>7.8%</b>	<b>7.8%</b>
Technology, Platforms & Services	336,870	420,920	451,820	481,520	536,710	22.6%	20.2%	20.1%	19.4%	19.4%
Financial Services	119,710	125,750	131,090	151,940	172,830	13.1%	18.9%	24.0%	23.9%	24.5%
Realty	13,130	16,050	29,500	26,400	27,160	40.9%	39.7%	34.6%	48.4%	48.9%
Development Projects	43,680	50,240	56,210	53,870	51,170	2.3%	14.2%	23.7%	19.1%	16.8%
<b>Total</b>	<b>1,565,220</b>	<b>1,833,400</b>	<b>2,211,120</b>	<b>2,557,340</b>	<b>2,858,750</b>	<b>12.3%</b>	<b>12.2%</b>	<b>11.9%</b>	<b>11.6%</b>	<b>11.5%</b>

Source: Company, PL

Exhibit 5 : New Segment composition



Source: Company, PL

Exhibit 6 : L&T's Lakshya 31 growth CAGR targets

Rs Trillion	FY26	CAGR (FY26 – FY31)
Order Inflows	4.4	10-12%
Revenue	2.9	12-15%
ROE	16.6%	16-17%

Source: Company, PL

## Conference call Highlights:

- **Cautiously optimistic about FY27 amid geopolitical tensions:** Management has provided conservative guidance for FY27, projecting **~10-12% growth in order intake** and **~10-12% revenue growth**, with a **PP&M margin of ~7.8%** (likely to remain flattish YoY. Revenue growth likely for H1FY27 likely to remain softer amid Middle east tension with execution to pickup in H2FY27. Additionally, the NWC-to-sales ratio is expected to normalize to ~10%, vs ~4% in FY26.
- **Order prospects for FY27 stand at INR17.8trn vs INR19.02trn YoY**, with domestic comprises of INR9.1trn and INR8.7trn international, primarily driven by Infrastructure, Hydrocarbon, CarbonLite, Green & Clean energy and manufacturing & products. Total order prospects comprise of Infrastructure (INR9.4trn vs INR8.1trn YoY), Energy Conventional (~INR5.4trn vs INR7.9trn YoY), Energy green (INR2.5trn) and Manufacturing and Products (~INR495bn vs INR294bn YoY)
- **Order book (OB) stands at Rs7.4trn** with domestic share of 48% (Rs3.6trn) and international share of 52% (Rs3.8trn). ~9% of the order book is funded by bilateral & multilateral agencies. Slow-moving orders constitute ~1.0% of the order book.
  - International OB comprises of **Middle East (78%) and RoW (22%)**. International order book primarily consists of Power T&D, renewable energy and Hydrocarbon.
  - Domestic OB comprises of **Central Govt (9%), State Govts (22%), PSUs (30%) and private players (39%)**.
- **Infrastructure Projects:** Subdued revenue growth in Q4FY26 was primarily due to weaker execution across domestic projects, impacted by delays in clearances, slower progress in the water & effluent segment, and spillover effects of the West Asia conflict during the peak execution period. Order inflow driven by a large international order, particularly from the Middle East. Orders were led by strong traction across B&F, Heavy Civil, Power T&D, and other core infrastructure segments, with increasing contribution from private sector capex. Order prospects for FY27 stand at INR9.4trn (domestic: INR6.8trn; international: INR2.5trn) vs INR8.1trn YoY, comprising **Transportation Infra – 23%, Heavy Civil Infra – 20%, Power T&D – 18%, B&F – 17%, Water & Effluent Treatment – 16%, and Minerals & Metals – 6%**. Management highlighted pending clearance has started coming through and improvement in collections in water segment likely to aid the execution
- **Energy Projects (Hydrocarbon & Carbon Lite solutions):** Strong execution drove robust revenue growth in Q4FY26, while margins remained under pressure due to cost overruns and closure costs in legacy projects. Order inflow remains a balanced mix of domestic and international orders across hydrocarbon and carbon-lite solutions. The order book remains strong at INR2.58trn (hydrocarbon: INR1.95trn; carbon-lite: INR0.63trn), largely driven by international markets, especially the Middle East, with no project cancellations and stable payment cycles despite geopolitical challenges. EBITDA margin declined to 6.5% (vs 8.2% YoY), with improvement expected over the next few quarters as legacy project impacts taper off. Under the Lakshya 31 framework, **the Energy business has been restructured into two verticals: Energy – Conventional (hydrocarbons and carbon-lite solutions) and Energy – Green (solar EPC, onshore and offshore wind)**.
- **High-Tech Manufacturing:** The segment delivered strong performance in Q4FY26, led by robust execution in the Precision Engineering & Systems (PES) business. Revenue grew 45% YoY, driven by ramp-up in large programs, while order inflows were supported by nuclear equipment orders in the heavy engineering segment, partly offset by some deferment in PES ordering. The order book stood at INR353bn (PES: INR289bn; Heavy Engineering: INR64bn), providing healthy visibility. Strategically, the segment strengthened capabilities through **key partnerships and initiatives, including defence electronics, UAV manufacturing, and nuclear equipment solutions**. Margins remain dependent on job mix, with continued focus on high-value, complex engineering and defence-led opportunities.

- Development Projects:** L&T is exiting legacy concession assets with divestment of Hyderabad Metro and Nabha Power, expected to close in Q1FY27, and both assets classified as held for sale. The segment reported losses (**INR1.79bn Vs INR0.07bn in Q4FY25**) in Q4FY26 due to absence of prior one-off gains. Going forward, the focus shifts to **selective investments in green hydrogen and green ammonia** under a BOO model, with a partnership-led and IRR-driven approach.
- Exports:** Middle East operations remain stable with no project cancellations and a strong **~INR3trn order book**, while payments from government clients continue on schedule. Near-term execution may see some supply chain constraints, with cost pressures limited to logistics and insurance (under discussion with clients). Management expects strong order inflows driven by energy demand in Qatar and Kuwait, with no meaningful impact on execution cycles. L&T sees limited participation in the reconstruction opportunity, while growth traction is expected from Central Asia, offshore wind (Europe, Korea, Taiwan), and Southeast Asia renewables.
- Lakshya 31 (FY27-FY31):** L&T targets **10–12% order inflow CAGR, 12–15% revenue CAGR, and 16–17% ROE**. The company plans to scale **manufacturing, defence, and industrial electronics (INR500bn)**, while investing selectively in **data centres (INR100bn), green hydrogen (INR150bn), and semiconductors (INR300bn)** through a partnership-led approach. Development projects are being repositioned towards **green assets**, and realty is being consolidated for scalable growth.

  - Segment Restructuring:** L&T has reorganized its reporting into **Projects, Products & Manufacturing (PP&M)**, with the **Energy segment split into Conventional and Green**, consolidating all renewables under a single vertical. **Realty is carved out as a standalone segment**, while **Development Projects are repositioned towards green assets** (hydrogen/ammonia). Additionally, **Manufacturing & Products has been expanded** to include Heavy Engineering, PES, Electronics and others.
- Data Centres:** L&T (Vyom) has **~30 MW capacity**, including 12 MW operational and 6 MW nearing commissioning. The focus is on hyperscale and AI-driven demand, with **~INR100bn planned investment** under a partnership-led model.
- Capex:** For FY27 management guided a capex plan of Rs25bn for P&M, ~INR10bn for Electronics (part of larger ~INR50bn plan over the next few years) and **~INR20bn for data centers**

## Financials

### Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
<b>Net Revenues</b>	<b>2,557,345</b>	<b>2,858,744</b>	<b>3,173,199</b>	<b>3,608,526</b>
YoY gr. (%)	15.7	11.8	11.0	13.7
Cost of Goods Sold	965,662	998,916	1,113,793	1,262,984
Gross Profit	1,591,683	1,859,828	2,059,406	2,345,542
Margin (%)	62.2	65.1	65.0	65.0
Employee Cost	467,687	521,872	581,366	645,316
Other Expenses	275,336	365,029	377,611	407,763
<b>EBITDA</b>	<b>264,347</b>	<b>291,511</b>	<b>324,583</b>	<b>392,496</b>
YoY gr. (%)	12.5	10.3	11.3	20.9
Margin (%)	10.3	10.2	10.2	10.9
Depreciation and Amortization	41,212	43,648	47,624	51,981
<b>EBIT</b>	<b>223,136</b>	<b>247,864</b>	<b>276,959</b>	<b>340,515</b>
Margin (%)	8.7	8.7	8.7	9.4
Net Interest	33,344	28,488	30,421	31,652
Other Income	41,248	57,607	47,598	56,654
<b>Profit Before Tax</b>	<b>235,788</b>	<b>259,758</b>	<b>294,136</b>	<b>365,517</b>
Margin (%)	9.2	9.1	9.3	10.1
Total Tax	58,914	68,164	75,005	93,207
Effective Tax Rate (%)	25.0	26.2	26.0	26.0
<b>Profit After Tax</b>	<b>176,874</b>	<b>191,594</b>	<b>219,131</b>	<b>272,310</b>
Minority Interest	26,362	28,699	30,708	31,629
Share Profit from Associate	141	2,055	2,055	1,028
<b>Adjusted PAT</b>	<b>146,810</b>	<b>173,544</b>	<b>186,368</b>	<b>239,653</b>
YoY gr. (%)	12.8	18.2	7.4	28.6
Margin (%)	5.7	6.1	5.9	6.6
Extra Ord. Income / (Exp)	3,562	(12,704)	-	-
<b>Reported PAT</b>	<b>150,371</b>	<b>160,840</b>	<b>186,368</b>	<b>239,653</b>
YoY gr. (%)	14.7	7.0	15.9	28.6
Margin (%)	5.9	5.6	5.9	6.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	150,371	160,840	186,368	239,653
<b>Equity Shares O/s (m)</b>	<b>1,376</b>	<b>1,376</b>	<b>1,376</b>	<b>1,376</b>
<b>EPS (INR)</b>	<b>106.7</b>	<b>126.2</b>	<b>135.5</b>	<b>174.2</b>

Source: Company, PL

### Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>582,590</b>	<b>500,504</b>	<b>554,134</b>	<b>609,781</b>
Tangibles	297,929	356,921	410,552	466,198
Intangibles	284,661	143,583	143,583	143,583
<b>Acc: Dep / Amortization</b>	<b>156,644</b>	<b>200,291</b>	<b>247,915</b>	<b>299,896</b>
Tangibles	156,644	200,291	247,915	299,896
Intangibles	-	-	-	-
<b>Net Fixed Assets</b>	<b>425,946</b>	<b>300,213</b>	<b>306,219</b>	<b>309,885</b>
Tangibles	141,286	156,630	162,637	166,302
Intangibles	284,661	143,583	143,583	143,583
Capital Work In Progress	23,909	30,363	31,732	36,085
Goodwill	-	-	-	-
Non-Current Investments	781,626	898,316	924,714	1,061,065
Net Deferred Tax Assets	33,829	40,857	40,857	40,857
Other Non-Current Assets	72,414	70,967	85,676	97,430
<b>Current Assets</b>				
Investments	433,606	595,249	595,249	595,249
Inventories	76,706	95,309	104,324	118,636
Trade Receivables	537,137	604,613	660,721	741,478
Cash & Bank Balance	229,653	208,477	308,825	443,242
Other Current Assets	757,173	1,167,734	1,269,279	1,371,240
<b>Total Assets</b>	<b>3,757,312</b>	<b>4,482,971</b>	<b>4,857,915</b>	<b>5,387,760</b>
<b>Equity</b>				
Equity Share Capital	2,750	2,751	2,751	2,751
Other Equity	973,806	1,090,147	1,270,760	1,496,478
<b>Total Network</b>	<b>976,556</b>	<b>1,092,898</b>	<b>1,273,511</b>	<b>1,499,229</b>
<b>Non-Current Liabilities</b>				
Long Term Borrowings	936,980	869,045	869,045	869,045
Provisions	-	-	-	-
Other Non Current Liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	358,613	347,785	347,785	589,444
Trade Payables	524,593	694,556	756,351	850,228
Other Current Liabilities	816,917	1,327,137	1,459,671	1,659,922
<b>Total Equity &amp; Liabilities</b>	<b>3,757,312</b>	<b>4,482,971</b>	<b>4,857,915</b>	<b>5,619,419</b>

Source: Company, PL

**Cash Flow (INR mn)**

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	231,040	276,983	294,136	365,517
Add. Depreciation	41,212	43,648	47,624	51,981
Add. Interest	33,344	26,255	30,421	31,652
Less Financial Other Income	41,248	57,607	47,598	56,654
Add. Other	(37,336)	(53,643)	-	-
Op. Profit before WC Changes	268,260	293,242	372,181	449,150
Net Changes-WC	(120,642)	(104,576)	(69,757)	(69,680)
Direct Tax	(56,011)	(60,312)	(75,005)	(93,207)
<b>Net Cash from Op. Activities</b>	<b>91,607</b>	<b>128,354</b>	<b>227,419</b>	<b>286,263</b>
Capital Expenditures	(58,249)	(65,830)	(55,000)	(60,000)
Interest / Dividend Income	22,278	30,280	-	-
Others	(119,204)	(81,839)	(3,132)	(23,602)
<b>Net Cash from Inv. Activities</b>	<b>(155,175)</b>	<b>(117,388)</b>	<b>(58,132)</b>	<b>(83,602)</b>
Issue of Share Cap. / Premium	93	75	-	-
Debt Changes	157,146	72,902	-	10,000
Dividend Paid	(38,496)	(46,762)	(38,518)	(46,592)
Interest Paid	(36,095)	(31,822)	(30,421)	(31,652)
Others	(16,796)	(12,371)	-	-
<b>Net Cash from Fin. Activities</b>	<b>65,853</b>	<b>(17,979)</b>	<b>(68,938)</b>	<b>(68,244)</b>
<b>Net Change in Cash</b>	<b>2,285</b>	<b>(7,013)</b>	<b>100,348</b>	<b>134,418</b>
Free Cash Flow	47,419	80,262	172,419	226,263

Source: Company, PL

**Quarterly Financials (INR mn)**

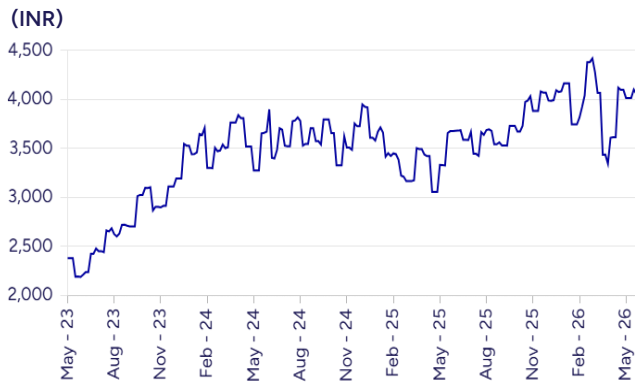
Y/e Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26
<b>Net Revenues</b>	<b>636,789</b>	<b>679,835</b>	<b>714,497</b>	<b>827,622</b>
YoY gr. (%)	15.5	10.4	10.5	11.3
Raw Material Expenses	402,308	435,885	462,886	557,333
Gross Profit	234,481	243,951	251,611	270,288
Margin (%)	36.8	35.9	35.2	32.7
<b>EBITDA</b>	<b>63,177</b>	<b>68,064</b>	<b>74,168</b>	<b>86,103</b>
YoY gr. (%)	12.5	7.0	18.6	5.0
Margin (%)	9.9	10.0	10.4	10.4
Depreciation / Depletion	10,333	10,918	10,717	11,680
<b>EBIT</b>	<b>52,844</b>	<b>57,146</b>	<b>63,451</b>	<b>74,423</b>
Margin (%)	8.3	8.4	8.9	9.0
Net Interest	7,816	7,628	6,251	6,793
Other Income	13,568	13,843	14,410	15,786
<b>Profit before Tax</b>	<b>58,595</b>	<b>63,361</b>	<b>71,610</b>	<b>84,103</b>
Margin (%)	9.2	9.3	10.0	10.2
Total Tax	15,340	16,490	15,407	20,928
Effective Tax Rate (%)	26.2	26.0	21.5	24.9
<b>Profit After Tax</b>	<b>43,256</b>	<b>46,871</b>	<b>56,203</b>	<b>63,175</b>
Minority Interest	7,010	7,519	6,095	8,075
Share Profit from Associate	74	91	46	1,845
<b>Adjusted PAT</b>	<b>36,320</b>	<b>39,443</b>	<b>50,154</b>	<b>56,430</b>
YoY gr. (%)	30.4	16.2	49.3	9.9
Margin (%)	5.7	5.8	7.0	6.8
Extra Ord. Income / (Exp)	-	-	-	516
<b>Reported PAT</b>	<b>36,320</b>	<b>39,443</b>	<b>50,154</b>	<b>56,945</b>
YoY gr. (%)	30.4	16.2	49.3	3.6
Margin (%)	5.7	5.8	7.0	6.9
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>36,320</b>	<b>39,443</b>	<b>50,154</b>	<b>56,945</b>
Avg. Shares O/s (m)	1,376	1,376	1,376	1,376
<b>EPS (INR)</b>	<b>26.4</b>	<b>28.7</b>	<b>36.5</b>	<b>41.0</b>

Source: Company, PL

**Key Financial Metrics**

Y/e Mar	FY25	FY26	FY27E	FY28E
<b>Per Share (INR)</b>				
EPS	106.7	126.2	135.5	174.2
CEPS	136.7	157.9	170.1	212.0
BVPS	709.9	794.5	925.8	1,089.8
FCF	34.5	58.3	125.3	164.5
DPS	28.0	28.0	33.9	43.6
<b>Return Ratio (%)</b>				
RoCE	10.4	10.8	11.5	12.5
ROIC	11.3	12.3	13.8	15.1
RoE	16.0	16.8	15.8	17.3
<b>Balance Sheet</b>				
Net Debt : Equity (x)	0.6	0.4	0.2	0.3
Net Working Capital (Days)	13	1	1	1
<b>Valuation (x)</b>				
PER	37.9	32.1	29.9	23.2
P/B	5.7	5.1	4.3	3.7
P/CEPS	29.6	25.6	23.8	19.1
EV/EBITDA	24.1	21.2	18.7	15.7
EV/Sales	2.4	2.1	1.9	1.7
Dividend Yield (%)	0.6	0.6	0.8	1.0
FCFF Yield (%)	0.8	1.4	3.0	4.0
PEG Ratio	2.9	1.7	4.0	0.8

Source: Company, PL

**Price Chart**

**Recommendation History**

No.	Date	Rating	TP (INR)	Share Price (INR)
1	09-Apr-26	BUY	4806	3896
2	29-Jan-26	BUY	4806	3794
3	07-Jan-26	BUY	4766	4157
4	30-Oct-25	BUY	4766	3958
5	07-Oct-25	BUY	4144	3730
6	30-Jul-25	BUY	4144	3496
7	09-Jul-25	BUY	4037	3607
8	09-May-25	BUY	4004	3324
9	09-Apr-25	BUY	3920	3161
10	31-Jan-25	BUY	4025	3421

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ABB India	Accumulate	6319	6614
2	Apar Industries	Accumulate	9629	10767
3	BEML	Accumulate	1922	1603
4	Bharat Electronics	REDUCE	411	440
5	BHEL	HOLD	245	277
6	Carborundum Universal	HOLD	825	855
7	Cummins India	Hold	4182	4907
8	Elgi Equipments	Accumulate	603	500
9	Engineers India	Buy	261	209
10	GE Vernova T&D India	Buy	4050	3911
11	Grindwell Norton	Hold	1731	1488
12	Harsha Engineers International	Hold	409	349
13	Hindustan Aeronautics	BUY	5338	4033
14	Hitachi Energy India	Hold	26108	27315
15	Ingersoll-Rand (India)	Buy	4589	3798
16	Kalpataru Projects International	Buy	1466	1143
17	KEC International	Accumulate	748	578
18	Kirloskar Pneumatic Company	BUY	1715	1448
19	Larsen & Toubro	BUY	4806	3896
20	Praj Industries	Accumulate	340	337
21	Siemens	ACCUMULATE	3409	3223
22	Siemens Energy India	Accumulate	3145	2768
23	Thermax	Accumulate	3374	3535
24	Triveni Turbine	Accumulate	585	455
25	Voltamp Transformers	BUY	10312	9079

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<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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