PL Capital PRABHUDAS LILLADHER

Q1FY27 Result Update

Larsen & Toubro (LT IN)

July 29, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Mixed Q1, Healthy inflows amid execution headwinds

Quick Pointers

- Order prospects worth INR15.1trn for 9MFY27 increased YoY (vs INR14.8trn) and are primarily driven by Infrastructure & Utilities and Energy Conventional
- Management has guided for ~10-12% order intake growth and ~10-12% YoY revenue growth with PP&M margin of ~7.8% for FY27

We revise our EPS estimates by -2.2%/-0.3% for FY27E/FY28E factoring in impact on margins amid execution challenges in PPM. Larsen & Toubro (L&T) reported consolidated revenue growth of ~7.0% YoY, while EBITDA margin contracted by ~90bps YoY to ~9.0%, impacted by lower execution in the Projects, Products & Manufacturing (PPM) portfolio, supply chain disruptions arising from the Middle East conflict, higher ECL provisions and forex headwinds in the technology services business. Order inflow remained robust at ~Rs1.08tn (+14% YoY), driven by strong international awards, particularly ultra-mega offshore wind projects in Europe (Rs150bn+), taking the consolidated order book to a record ~Rs7.79tn (+27% YoY), with international projects contributing ~52% of the backlog and reinforcing long-term revenue visibility. While execution in the Infrastructure & Utilities and Energy Green segments was affected by logistics constraints in the GCC region, the Energy Conventional business continued to witness healthy execution despite deferred order awards. Meanwhile, the Manufacturing & Products and Technology Platforms & Services businesses delivered healthy growth supported by strong demand across precision engineering, electronics, construction equipment and IT services. Management highlighted that bidding activity remains robust across domestic and international markets with no project cancellations, while the opportunity pipeline remains healthy at ~Rs15tn, underpinning its confidence in achieving FY27 order inflow and revenue growth guidance of 10–12%, along with ~7.8% PPM EBITDA margins. With expectations of execution improving in H2FY27, a record order book, expanding offshore wind opportunities and disciplined capital allocation under Lakshya 2031, management remains confident of sustaining profitable growth over the medium term. We maintain 'Buy' rating and with a revised SoTP-derived TP of Rs4,425 (Rs4,632 earlier), valuing the core business at a P/E of 22.5x Mar'28E (22x Mar'28E earlier).

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	4,425		4,632	
Sales (INR mn)	3,152,360	3,609,556	3,173,199	3,608,526
% Chng.	*(0.7)*	-		
EBITDA (INR mn)	306,143	390,475	324,583	392,496
% Chng.	*(5.7)*	*(0.5)*		
EPS (INR)	132.4	173.6	135.4	174.2
% Chng.	*(2.2)*	*(0.3)*		

Key Data

Key Data	LART.BO | LT IN
BSE Code	500510
NSE Code	LT
52-W High / Low	INR 4,440 / INR 3,288
Face Value	2
Sensex / Nifty	76,766 / 23,985
Market Cap	INR 5,272 bn / $ 55,001 mn
Shares Outstanding	1375.87 mn
3M Avg. Daily Value	INR 9,641.48 mn

Shareholding Pattern (%)

Promoters	-
FIIs	19.13
Mutual Funds	20.10
Domestic Institutions	22.89
Public & Others	37.88
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(9.1)	(5.1)	1.0	12.0
Relative	(8.7)	(4.9)	8.3	18.0

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	2,557,345	2,858,744	3,152,360	3,609,556
EBITDA (INR mn)	264,347	291,511	306,143	390,475
Margin (%)	*10.3*	*10.2*	*9.7*	*10.8*
PAT (INR mn)	146,810	173,544	182,140	238,880
EV (INR mn)	6,081,237	5,876,934	5,788,039	5,912,159
Total Debt (INR mn)	1,295,593	1,216,830	1,216,830	1,458,489
C&C Eq. (INR mn)	229,653	208,477	297,371	414,911
EPS (INR)	106.7	126.2	132.4	173.7
Gr. (%)	*12.8*	*18.2*	*5.0*	*31.2*
DPS (INR)	28.0	28.0	33.1	43.4
Yield (%)	*0.7*	*0.7*	*0.9*	*1.1*
RoE (%)	*16.0*	*16.8*	*15.4*	*17.3*
RoCE (%)	*10.4*	*10.8*	*10.8*	*12.5*
EV/Sales (x)	2.4	2.1	1.8	1.6
EV/EBITDA (x)	23.0	20.2	18.9	15.1
PE (x)	35.9	30.4	28.9	22.1
P/BV (x)	5.4	4.8	4.2	3.5

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	% Var.	Q1'26A	YoY gr. (%)
Net Sales (INR mn)	6,84,292	6,79,417	*-1.0*	6,36,789	*7.0*
EBITDA (INR mn)	65,299	61,165	*-6.0*	63,177	*-3.0*
Margin (%)	*9.5*	*9.0*	*-50 bps*	*9.9*	*-90 bps*
PAT (INR mn)	38,229	41,229	*8.0*	36,172	*14.0*

Source: Company, PL

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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.

Slower execution and higher other expenses weigh on margins: Consolidated revenue rose 6.7% YoY to Rs679.4bn (PLe: Rs684.3bn) due to slower execution in infra partially offset by improved execution in Energy – Conventional. Infrastructure revenue degrew by ~2.4% YoY to Rs221.4bn likely due to execution challenges in the Water & Effluent Treatment business. Energy - Conventional revenue increased by 14.3% YoY to Rs142.5bn owing to execution in the Hydrocarbon business as well as the CarbonLite Solutions business. While Energy - Green segment revenue decreased by ~12% YoY due to supply chain disruptions arising from the West Asia conflict in the Solar business. Manufacturing products revenue increased by ~9% YoY to Rs46.5bn driven by improved execution progress in Precision Engineering & Systems, Construction Equipment & Mining Machinery and Rubber Processing Machinery businesses. Financial Services grew 27% YoY to Rs50.4bn, IT & Technology Services grew 15.6% YoY to Rs147.2bn, Realty revenue increased by 112% YoY to Rs11.3bn. Meanwhile, Development Projects were down 14% YoY to Rs10.7bn. EBITDA declined by 3.2% YoY to Rs61.2bn (PLe: Rs65.3bn). EBITDA margin contracted by 92bps YoY to 9% (Ple: 9.5%) primarily due to higher expenses (+45.4% YoY) despite expansion in gross margin. Adj. PAT rose 14% YoY to Rs41.2bn (PLe: Rs38.2bn) aided by higher other income (up 75% YoY to Rs23.8bn).

Order book stands at ~Rs7.8trn (2.7x TTM revenue), up 27.1% YoY: Consolidated order inflows came in at Rs1.08trn, by ultra-mega offshore wind orders from Europe and sustained domestic private sector ordering. Domestic/International order intake mix stood at 44%/56%. Order book stands at ~Rs7.8trn (2.7x TTM revenue), up 27.1% YoY with a Domestic/International mix of 48%/52%.

Exhibit 1: Quarterly Estimates

(INR mn)	1QFY27	*YoY gr. (%)*	2QFY27E	*YoY gr. (%)*	3QFY27E	*YoY gr. (%)*	4QFY27E	*YoY gr. (%)*
Net Sales	6,79,417.4	6.7%	7,43,312.2	9.3%	7,96,562.9	11.5%	9,33,067.4	12.7%
EBITDA	61,164.8	*-3.2%*	72,184.1	*6.1%*	83,656.6	*12.8%*	1,02,783.7	*19.4%*
Margins (%)	9.0	(91.9)	9.7	(30.1)	10.5	12.2	11.0	61.2
Adj. PAT	41,228.5	*14%*	39,838.1	*1%*	46,292.5	*3%*	54,780.9	*4%*

Source: Company, PL

Exhibit 2: **EBITDA margin contracted by 92bps YoY to 9.0% primarily due to higher expenses (+45.4% YoY) despite expansion in gross margin**

Y/e March (INR mn)	Q1FY27	Q1FY26	YoY gr.	Q1FY27E	% Var.	Q4FY26	QoQ gr.	FY27E	FY26	YoY gr.
Revenue	**6,79,417**	**6,36,789**	*6.7%*	**6,84,292**	*-0.7%*	**8,27,622**	*-17.9%*	**31,52,360**	**28,58,744**	*10.3%*
Gross Profit	2,62,432	2,34,481	*11.9%*	2,44,976	*7.1%*	2,70,288	*-2.9%*	11,06,478	10,00,332	*10.6%*
Margin (%)	*38.6*	*36.8*	*180*	*35.8*	*283*	*32.7*	*597*	*35.1*	*35.0*	*11*
Employee Cost	1,40,434	1,26,384	*11.1%*	1,31,384	*6.9%*	1,37,629	*2.0%*	5,83,453	5,21,872	*11.8%*
as % of sales	*20.7*	*19.8*	*82*	*19.2*	*147*	*16.6*	*404*	*18.5*	*18.3*	*25*
Other expenditure	40,506	27,857	*45.4%*	30,793	*31.5%*	28,469	*42.3%*	1,41,856	1,16,995	*21.3%*
as % of sales	*6.0*	*4.4*	*159*	*4.5*	*146*	*3.4*	*252*	*4.5*	*4.1*	*41*
Finance cost of fin. serv. business	20,327	17,064	*19.1%*	17,500	*16.2%*	18,088	*12.4%*	75,026	69,953	*7.3%*
as % of sales	*3.0*	*2.7*	*31*	*2.6*	*43*	*2.2*	*81*	*2.4*	*2.4*	*(7)*
EBITDA	**61,165**	**63,177**	***-3.2%***	**65,299**	***-6.3%***	**86,103**	***-29.0%***	**3,06,143**	**2,91,511**	***5.0%***
Margin (%)	*9.0*	*9.9*	*(92)*	*9.5*	*(54)*	*10.4*	*(140)*	*9.7*	*10.2*	*(49)*
Depreciation	10,323	10,333	*-0.1%*	10,900	*-5.3%*	11,680	*-11.6%*	47,650	43,648	*9.2%*
EBIT	**50,842**	**52,844**	***-3.8%***	**54,399**	***-6.5%***	**74,423**	***-31.7%***	**2,58,493**	**2,47,864**	***4.3%***
Margin (%)	*7.5*	*8.3*	*(82)*	*7.9*	*(47)*	*9.0*	*(151)*	*8.2*	*8.7*	*(47)*
Other Income	23,767	13,568	*75.2%*	14,500	*63.9%*	15,786	*50.6%*	56,742	57,607	*-1.5%*
Interest	5,387	7,816	*-31.1%*	6,800	*-20.8%*	6,793	*-20.7%*	26,770	28,488	*-6.0%*
PBT (ex. Extra-ordinaries)	**69,223**	**58,595**	***18.1%***	**62,099**	***11.5%***	**83,416**	***-17.0%***	**2,88,465**	**2,76,983**	***4.1%***
Margin (%)	*10.2*	*9.2*	*99*	*9.1*	*111*	*10.1*	*11*	*9.2*	*9.7*	*(54)*
Extraordinary Items	-	-	-	-	-	687	-	-	(17,224)	-
PBT	69,223	58,595	*18.1%*	62,099	*11.5%*	84,103	*-17.7%*	2,88,465	2,59,758	*11.1%*
Total Tax	19,394	15,340	*26.4%*	16,270	*19.2%*	20,928	*-7.3%*	75,001	68,164	*10.0%*
Effective Tax Rate (%)	28.0	26.2	*184*	26.2	*182*	24.9	*313*	26.0	26.2	*(24)*
PAT before MI & JV	**49,829**	**43,256**	***15.2%***	**45,829**	***8.7%***	**63,175**	***-21.1%***	**2,13,464**	**1,91,594**	***11.4%***
Reported PAT	**41,229**	**36,172**	***14.0%***	**38,229**	***7.8%***	**53,256**	***-22.6%***	**1,82,140**	**1,60,840**	***13.2%***
Adj. PAT	**41,229**	**36,172**	***14.0%***	**38,229**	***7.8%***	**52,740**	***-21.8%***	**1,82,140**	**1,73,544**	***5.0%***
Adj. EPS	**30.0**	**26.3**	***14.0%***	**27.8**	***7.8%***	**38.3**	***-21.8%***	**132.4**	**126.2**	***5.0%***

Source: Company, PL

Exhibit 3: Infra & utilities EBIT margin declined by 28bps due to higher ECL provision and execution headwinds

Segment Performance	Q1FY27	Q1FY26	YoY gr.	Q1FY27E	% Var.	Q4FY26	QoQ gr.	FY26
Revenue (Rs mn)								
Infrastructure & Utilities	2,21,435	2,26,961	-2.4%	2,23,796	-1.1%	2,92,214	-24.2%	10,08,425
Energy - Conventional	1,42,463	1,24,676	14.3%	1,16,312	22.5%	1,61,135	-11.6%	5,43,743
Energy - Green	56,071	63,355	-11.5%	92,331	-39.3%	1,14,262	-50.9%	3,50,205
Manufacturing & Products	46,476	42,762	8.7%	51,202	-9.2%	63,517	-26.8%	1,90,915
IT & Technology Services	1,47,199	1,27,302	15.6%	1,39,469	5.5%	1,42,736	3.1%	5,41,090
Financial Services Revenue	50,417	39,710	27.0%	42,887	17.6%	46,693	8.0%	1,72,834
Realty Revenue	11,334	5,346	112.0%	4,876	132.4%	5,218	117.2%	31,303
Development Projects	10,737	12,493	-14.1%	13,418	-20.0%	11,757	-8.7%	51,185
Total	**6,75,396**	**6,30,111**	**7.2%**	**6,70,874**	**0.7%**	**8,25,775**	**-18.2%**	**28,38,515**
Less: Inter-segment revenue	6,715	5,814	15.5%	-	-	9,910	-32.2%	30,953
Net Revenue	**6,68,681**	**6,24,296**	**7.1%**	**6,70,874**	**-0.3%**	**8,15,865**	**-18.0%**	**28,07,562**
EBIT (Rs mn)								
Infrastructure & Utilities	8,044	8,879	-9.4%	9,399	-14.4%	23,365	-65.6%	54,574
Energy - Conventional	9,667	8,636	11.9%	6,979	38.5%	8,707	11.0%	32,970
Energy - Green	3,216	3,752	-14.3%	5,817	-44.7%	9,043	-64.4%	23,799
Manufacturing & Products	5,934	6,461	-8.2%	6,349	-6.5%	10,762	-44.9%	29,645
IT & Technology Services	23,538	20,501	14.8%	30,683	-23.3%	21,457	9.7%	86,182
Financial Services Revenue	12,363	9,432	31.1%	9,435	31.0%	10,793	14.5%	40,321
Realty Revenue	3,469	2,023	71.5%	2,048	69.4%	1,694	104.7%	12,422
Development Projects	1,245	1,317	-5.5%	1,342	-7.2%	1,614	-22.9%	5,390
Total	**66,230**	**59,684**	**11.0%**	**70,710**	**-6.3%**	**85,820**	**-22.8%**	**2,79,913**
EBIT Margin (%)								
Infrastructure & Utilities	3.6	3.9	-28	4.2	-57	8.0	-436	5.4
Energy - Conventional	6.8	6.9	-14	6.0	79	5.4	138	6.1
Energy - Green	5.7	5.9	-19	6.3	-56	7.9	-218	6.8
Manufacturing & Products	12.8	15.1	-234	12.4	37	16.9	-418	15.5
IT & Technology Services	16.0	16.1	-11	22.0	-601	15.0	96	15.9
Financial Services Revenue	24.5	23.8	77	22.0	252	23.1	141	23.3
Realty Revenue	30.6	37.8	-724	42.0	-1,139	32.5	-186	39.7
Development Projects	11.6	10.5	105	10.0	159	13.7	-214	10.5

Source: Company, PL

Exhibit 4: **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	2,01,081	P/E	22.5	100	45,24,331	3,289	22.5x 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	26,636	P/B	1	100	26,636	19	1x equity investment
Total						**3,346**	
Subsidiaries							
L&T Finance	8,79,111	Target Mcap		66	5,80,125	422	Target Mcap
LTI Mindtree	12,95,191	Target Mcap		69	8,87,594	645	Target Mcap
L&T Technology Services	3,79,899	Target Mcap		74	2,79,491	203	Target Mcap
Total Subsidiaries				**15% holding co. disc.**	**14,85,129**	**1,080**	
Grand Total						**4,425**	

Source: Company, PL

Conference call Highlights:

- **FY27 guidance maintained despite geopolitical uncertainty:** Management reiterated its FY27 guidance of 10–12% order inflow growth, 10–12% revenue growth and ~7.8% PPM EBITDA margin, despite continued geopolitical disruptions in the Middle East. While execution is expected to remain relatively subdued in the near term owing to logistics constraints, project awards and execution are expected to improve from Q2 onwards.

- **Margins impacted by execution slowdown and ECL provisions:** Q1 margin moderation was driven by lower execution in the PPM business, forex losses in IT subsidiaries and higher expected credit loss (ECL) provisions. The incremental ECL provision primarily relates to ageing receivables in the domestic Water & Effluent Treatment business and certain legacy infrastructure projects in India.

- **Healthy order inflows; strong international traction:** Group order inflows grew 14% YoY to Rs1.08tn, driven by international wins, including offshore wind projects in Europe, and strong domestic private sector demand. Order book increased to Rs7.79tn, with international exposure at 52% and domestic at 48%. Domestic order book mix improved, with private sector contribution rising to 40%, while Central/State Government and PSU accounted for 30% each. International order book remains concentrated in the Middle East (71%), followed by Europe (14%), with slow-moving orders below 1% and limited deletions of Rs2.5bn during the quarter. The Rs15tn FY27 opportunity pipeline is evenly split between domestic and international opportunities, with ~45% of domestic pipeline from the private sector.

- **Infrastructure & Utilities:** Order inflows more than doubled YoY, led by domestic awards across metals & minerals, buildings & factories, substations, transmission and transportation infrastructure, including the company's largest-ever domestic metals order. Private sector capex remained healthy and accounted for the majority of domestic order inflows. The segment's opportunity pipeline stands at Rs7.82tn, comprising Rs5.47tn domestic and Rs2.35tn international opportunities. Revenue remained subdued due to the early execution phase of recently secured projects, while margins moderated owing to an adverse revenue mix and higher ECL provisions.

- **Energy Conventional:** Order inflows declined sharply to Rs31bn (Hydrocarbon: Rs25.6bn; CarbonLite Solutions: Rs4.9bn) due to deferment of certain order awards and a high base. The segment maintains an order book of Rs2.22tn (Hydrocarbon: Rs1.59tn; CarbonLite Solutions: Rs620bn) and an opportunity pipeline of Rs4.37tn. Logistics disruptions in the Middle East continue to impact execution; however, management indicated project execution remains manageable with no significant cancellations.

- **Energy Green:** The segment witnessed strong order inflows of ~Rs330bn, driven by additional offshore wind awards in Europe. Order book stands at Rs1.47tn, comprising Offshore Wind (Rs740bn), Solar (Rs568bn) and Onshore Wind (Rs158bn), while the opportunity pipeline remains healthy at Rs2.42tn, comprising Offshore Wind (Rs1.80tn), Solar (Rs400bn) and Onshore Wind (Rs220bn). Revenue declined during the quarter due to supply chain disruptions affecting solar execution across the GCC region, although margins remained broadly stable.

- **Manufacturing & Products:** Order inflows of ~Rs55bn were supported by multiple refinery equipment packages in the Heavy Engineering business, while revenue growth was driven by healthy execution across Precision Engineering & Systems (PES) and Construction Equipment. The balance FY27 opportunity pipeline stands at Rs460bn, comprising Rs368bn from Precision Engineering & Electronics and Rs92bn from Heavy Engineering.

- **Realty:** The company strengthened its NCR presence through the acquisition of a 20-acre land parcel in Gurugram and launched two residential projects in the Mumbai Metropolitan Region with an aggregate development potential of Rs50bn. Revenue growth was driven by higher handover of residential units in the

MMR region, while margins moderated due to an adverse sales mix. Unrecognized revenue for the segment stands at Rs173bn, providing healthy revenue visibility

- **Middle East operations resilient amid disruptions:** Logistics disruptions and elevated freight costs due to the regional conflict impacted execution of select projects, while majority of projects remain on track. The company has implemented alternate logistics routes and is engaging customers for recovery of incremental costs, largely expected to be reimbursed contractually. No major project cancellations have occurred, with order activity expected to normalize from Q2.

- **Offshore wind continues to emerge as a key growth driver:** L&T secured additional offshore wind transmission orders during the quarter, taking cumulative wins over the past three quarters to ~8GW. These projects will be executed over the next 4–5 years, with fabrication primarily undertaken at the company's Chennai facility and limited installation work in Europe through local subcontractors.

- **Working capital & collections:** Gross working capital efficiency improved further during the quarter, supported by healthy collections across domestic and international markets, including the Middle East. Collections under the Jal Jeevan Mission have started improving, supporting a gradual recovery in execution within the Water & Effluent Treatment business. Management maintained its working capital guidance of 10%.

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**2,557,345**	**2,858,744**	**3,152,360**	**3,609,556**
YoY gr. (%)	*15.7*	*11.8*	*10.3*	*14.5*
Cost of Goods Sold	965,662	998,916	1,106,478	1,263,345
Gross Profit	1,591,683	1,859,828	2,045,882	2,346,212
Margin (%)	*62.2*	*65.1*	*65.0*	*65.0*
Employee Cost	467,687	521,872	583,453	647,633
Other Expenses	275,336	365,029	375,131	407,880
EBITDA	**264,347**	**291,511**	**306,143**	**390,475**
YoY gr. (%)	*12.5*	*10.3*	*5.0*	*27.5*
Margin (%)	*10.3*	*10.2*	*9.7*	*10.8*
Depreciation and Amortization	41,212	43,648	47,650	51,980
EBIT	**223,136**	**247,864**	**258,493**	**338,496**
Margin (%)	*8.7*	*8.7*	*8.2*	*9.4*
Net Interest	33,344	28,488	26,770	31,652
Other Income	41,248	57,607	56,742	56,670
Profit Before Tax	**235,788**	**259,758**	**288,465**	**363,513**
Margin (%)	*9.2*	*9.1*	*9.2*	*10.1*
Total Tax	58,914	68,164	75,001	92,696
Effective Tax Rate (%)	*25.0*	*26.2*	*26.0*	*26.0*
Profit After Tax	**176,874**	**191,594**	**213,464**	**270,817**
Minority Interest	26,362	28,699	30,708	31,629
Share Profit from Associate	141	2,055	617	308
Adjusted PAT	**146,810**	**173,544**	**182,140**	**238,880**
YoY gr. (%)	*12.8*	*18.2*	*5.0*	*31.2*
Margin (%)	*5.7*	*6.1*	*5.8*	*6.6*
Extra Ord. Income / (Exp)	3,562	(12,704)	-	-
Reported PAT	**150,371**	**160,840**	**182,140**	**238,880**
YoY gr. (%)	*14.7*	*7.0*	*13.2*	*31.2*
Margin (%)	*5.9*	*5.6*	*5.8*	*6.6*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	150,371	160,840	182,140	238,880
Equity Shares O/s (mn)	**1,376**	**1,376**	**1,376**	**1,376**
EPS (INR)	**106.7**	**126.2**	**132.4**	**173.7**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**582,590**	**475,550**	**529,389**	**584,817**
Tangibles	297,929	331,968	385,807	441,235
Intangibles	284,661	143,583	143,583	143,583
Acc: Dep / Amortization	**156,644**	**175,338**	**222,987**	**274,967**
Tangibles	156,644	175,338	222,987	274,967
Intangibles	-	-	-	-
Net Fixed Assets	**425,946**	**300,213**	**306,402**	**309,850**
Tangibles	141,286	156,630	162,819	166,267
Intangibles	284,661	143,583	143,583	143,583
Capital Work In Progress	23,909	30,363	31,524	36,096
Goodwill	-	-	-	-
Non-Current Investments	781,626	898,316	933,646	1,083,195
Net Deferred Tax Assets	33,829	40,857	40,857	40,857
Other Non-Current Assets	72,414	70,967	85,114	97,458
Current Assets				
Investments	433,606	595,249	595,249	595,249
Inventories	76,706	95,309	103,639	118,670
Trade Receivables	537,137	604,613	656,382	741,690
Cash & Bank Balance	229,653	208,477	297,371	414,911
Other Current Assets	757,173	1,167,734	1,260,944	1,371,631
Total Assets	**3,757,312**	**4,482,971**	**4,837,695**	**5,382,374**
Equity				
Equity Share Capital	2,750	2,751	2,751	2,751
Other Equity	973,806	1,090,147	1,265,093	1,490,376
Total Networth	**976,556**	**1,092,898**	**1,267,845**	**1,493,127**
Non-Current Liabilities				
Long Term Borrowings	936,980	869,045	869,045	869,045
Provisions	-	-	-	-
Other Non Current Liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	358,613	347,785	347,785	589,444
Trade Payables	524,593	694,556	751,384	850,471
Other Current Liabilities	816,917	1,327,137	1,450,086	1,660,396
Total Equity & Liabilities	**3,757,312**	**4,482,971**	**4,837,695**	**5,614,033**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	231,040	276,983	288,465	363,513
Add. Depreciation	41,212	43,648	47,650	51,980
Add. Interest	33,344	26,255	26,770	31,652
Less Financial Other Income	41,248	57,607	56,742	56,670
Add. Other	(37,336)	(53,643)	-	-
Op. Profit before WC Changes	268,260	293,242	362,885	447,146
Net Changes-WC	(120,642)	(104,576)	(80,154)	(81,331)
Direct Tax	(56,011)	(60,312)	(75,001)	(92,696)
Net Cash from Op. Activities	**91,607**	**128,354**	**207,731**	**273,119**
Capital Expenditures	(58,249)	(65,830)	(55,000)	(60,000)
Interest / Dividend Income	22,278	30,280	-	-
Others	(119,204)	(81,839)	1,452	(28,392)
Net Cash from Invt. Activities	**(155,175)**	**(117,388)**	**(53,548)**	**(88,392)**
Issue of Share Cap. / Premium	93	75	-	-
Debt Changes	157,146	72,902	-	10,000
Dividend Paid	(38,496)	(46,762)	(38,518)	(45,535)
Interest Paid	(36,095)	(31,822)	(26,770)	(31,652)
Others	(16,796)	(12,371)	-	-
Net Cash from Fin. Activities	**65,853**	**(17,979)**	**(65,288)**	**(67,187)**
Net Change in Cash	**2,285**	**(7,013)**	**88,895**	**117,539**
Free Cash Flow	47,419	80,262	152,731	213,119

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**679,835**	**714,497**	**827,622**	**679,417**
YoY gr. (%)	*10.4*	*10.5*	*11.3*	*6.7*
Raw Material Expenses	435,885	462,886	557,333	416,985
Gross Profit	243,951	251,611	270,288	262,432
Margin (%)	*35.9*	*35.2*	*32.7*	*38.6*
EBITDA	**68,064**	**74,168**	**86,103**	**61,165**
YoY gr. (%)	*7.0*	*18.6*	*5.0*	*(3.2)*
Margin (%)	*10.0*	*10.4*	*10.4*	*9.0*
Depreciation / Depletion	10,918	10,717	11,680	10,323
EBIT	**57,146**	**63,451**	**74,423**	**50,842**
Margin (%)	*8.4*	*8.9*	*9.0*	*7.5*
Net Interest	7,628	6,251	6,793	5,387
Other Income	13,843	14,410	15,786	23,767
Profit before Tax	**63,361**	**71,610**	**84,103**	**69,223**
Margin (%)	*9.3*	*10.0*	*10.2*	*10.2*
Total Tax	16,490	15,407	20,928	19,394
Effective Tax Rate (%)	*26.0*	*21.5*	*24.9*	*28.0*
Profit After Tax	**46,871**	**56,203**	**63,175**	**49,829**
Minority Interest	7,519	6,095	8,075	8,652
Share Profit from Associate	(91)	(46)	(1,845)	52
Adjusted PAT	**39,261**	**50,062**	**52,740**	**41,229**
YoY gr. (%)	*15.6*	*49.0*	*2.7*	*14.0*
Margin (%)	*5.8*	*7.0*	*6.4*	*6.1*
Extra Ord. Income / (Exp)	-	-	516	-
Reported PAT	**39,261**	**50,062**	**53,256**	**41,229**
YoY gr. (%)	*15.6*	*49.0*	*(3.1)*	*14.0*
Margin (%)	*5.8*	*7.0*	*6.4*	*6.1*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**39,261**	**50,062**	**53,256**	**41,229**
Avg. Shares O/s (mn)	1,376	1,376	1,376	1,376
EPS (INR)	**28.5**	**36.4**	**38.3**	**30.0**

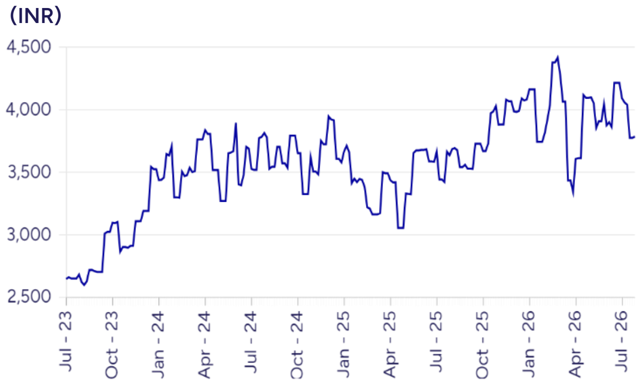
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	106.7	126.2	132.4	173.7
CEPS	136.7	157.9	167.0	211.4
BVPS	709.9	794.5	921.6	1,085.4
FCF	34.5	58.3	111.0	154.9
DPS	28.0	28.0	33.1	43.4
Return Ratio (%)				
RoCE	10.4	10.8	10.8	12.5
ROIC	11.3	12.3	12.7	14.8
RoE	16.0	16.8	15.4	17.3
Balance Sheet				
Net Debt : Equity (x)	0.6	0.4	0.3	0.3
Net Working Capital (Days)	13	1	1	1
Valuation (x)				
PER	35.9	30.3	28.9	22.0
P/B	5.3	4.8	4.1	3.5
P/CEPS	28.0	24.2	22.9	18.1
EV/EBITDA	23.0	20.1	18.9	15.1
EV/Sales	2.3	2.0	1.8	1.6
Dividend Yield (%)	0.7	0.7	0.8	1.1
FCFF Yield (%)	0.8	1.5	2.8	4.0
PEG Ratio	2.7	1.6	5.8	0.7

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	08-Jul-26	BUY	4632	3892.1
2	06-May-26	BUY	4632	4055
3	09-Apr-26	BUY	4806	3896
4	29-Jan-26	BUY	4806	3794
5	07-Jan-26	BUY	4766	4157
6	30-Oct-25	BUY	4766	3958
7	07-Oct-25	BUY	4144	3730
8	30-Jul-25	BUY	4144	3496
9	09-Jul-25	BUY	4037	3607
10	09-May-25	BUY	4004	3324

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ABB India	HOLD	6523	6772
2	Apar Industries	Accumulate	14720	13889
3	BEML	Accumulate	1940	1776
4	Bharat Electronics	Accumulate	452	407
5	BHEL	Reduce	368	435
6	Carborundum Universal	Reduce	986	1081
7	Cummins India	Reduce	5133	5499
8	Elgi Equipments	Accumulate	637	576
9	Engineers India	Buy	271	235
10	GE Vernova T&D India	Accumulate	4650	4467
11	Grindwell Norton	Accumulate	2113	2018
12	Harsha Engineers International	Hold	461	418
13	Hindustan Aeronautics	BUY	5423	4365
14	Hitachi Energy India	Reduce	30768	31755
15	Ingersoll-Rand (India)	Accumulate	4934	4360
16	Kalpataru Projects International	Buy	1466	1332
17	KEC International	Accumulate	558	487
18	Kirloskar Pneumatic Company	Accumulate	1715	1599
19	Larsen & Toubro	BUY	4632	3892
20	Praj Industries	Accumulate	389	355
21	Siemens	HOLD	3750	3446
22	Siemens Energy India	Accumulate	3274	3359
23	Thermax	Reduce	3969	4603
24	Triveni Turbine	Hold	638	613
25	Voltamp Transformers	Accumulate	10503	9390

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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