

October 30, 2025

Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	4,766		4,144	
Sales (Rs. m)	34,00,008	38,64,564	33,70,126	38,07,816
% Chng.	0.9	1.5		
EBITDA (Rs. m)	3,82,852	4,39,270	3,84,416	4,38,442
% Chng.	(0.4)	0.2		
EPS (Rs.)	168.9	196.3	168.8	195.9
% Chng.	0.1	0.2		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. bn)	2,557	2,974	3,400	3,865
EBITDA (Rs. bn)	264	311	383	439
Margin (%)	10.3	10.4	11.3	11.4
PAT (Rs. bn)	147	181	232	270
EPS (Rs.)	106.9	131.5	168.9	196.3
Gr. (%)	13.4	23.0	28.4	16.2
DPS (Rs.)	28.0	40.8	42.2	49.1
Yield (%)	0.7	1.0	1.1	1.2
RoE (%)	16.0	17.0	18.6	18.3
RoCE (%)	10.4	11.3	12.2	12.2
EV/Sales (x)	2.4	2.0	1.9	1.7
EV/EBITDA (x)	23.0	19.5	16.7	14.6
PE (x)	37.0	30.1	23.4	20.2
P/BV (x)	5.6	4.7	4.0	3.4

Key Data

LART.BO | LT IN

52-W High / Low	Rs.4,017 / Rs.2,965
Sensex / Nifty	84,997 / 26,054
Market Cap	Rs.5,445bn/ \$ 61,728m
Shares Outstanding	1,376m
3M Avg. Daily Value	Rs.6908.81m

Shareholding Pattern (%)

Promoter's	-
Foreign	19.48
Domestic Institution	43.34
Public & Others	37.18
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	7.3	19.1	17.1
Relative	1.5	12.5	10.7

Amit Anwani

amitanwani@plindia.com | 91-22-66322250

Prathmesh Salunkhe

prathmeshsalunkhe@plindia.com | 91-22-66322324

Hitesh Agarwal

hiteshagarwal@plindia.com | 91-22-66322535

Decent Q2 despite infra drag; guidance intact

Quick Pointers:

- Strong order prospects worth Rs10.4trn for remaining H2FY26 (vs Rs8.1trn YoY) are primarily driven by infrastructure and hydrocarbon.
- 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 10.4% YoY, while EBITDA margin contracted by 32 bps YoY to 10.0%. Execution challenges in the Water projects and prolonged monsoons weighed on progress in Infrastructure projects, whereas robust execution across Energy Projects and Hi-Tech Manufacturing supported overall growth. Order prospects remain strong at Rs10.4trn for H2FY26, driven primarily by Infrastructure and Hydrocarbon opportunities. L&T's potential strategic entry into electronic manufacturing services (EMS) and its partnership with BEL for India's fifth-generation AMCA program underscore the company's focus on diversification and leveraging emerging growth avenues. Furthermore, sale of loss-making Hyderabad Metro is anticipated to improve L&T's balance sheet and profitability. During the quarter, the award of two ultra-mega orders in the onshore and offshore Hydrocarbon business further strengthened its position and reinforced management's confidence in achieving its guidance of ~10% YoY order inflow growth along with ~15% revenue growth and Project & Manufacturing (P&M) margins of ~8.5% in FY26. We roll forward to Sep'27E and maintain our 'Buy' rating valuing the core business at a PE of 22x Sep'27E (25x Mar'27E earlier) arriving at a SoTP-derived TP of Rs4,766 (Rs4,144 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 30.1x/23.4x on FY26/27E earnings.

Healthy execution in P&M businesses drive strong topline growth: Consolidated revenue rose 10.4% YoY to Rs679.8bn (PLe: Rs715.8bn) driven by healthy execution across Energy Projects and Hi-Tech Manufacturing. Infrastructure revenue was flattish at Rs321.5bn, Energy revenue was up 47.4% YoY to Rs130.9bn, Hi-Tech Manufacturing revenue was up 30.1% YoY to Rs28.3bn, Financial Services grew 8.6% YoY to Rs41.7bn, IT & Technology Services grew 11.6% YoY to Rs133.5bn and Development Projects were up 10.9% YoY to Rs15.3bn. Meanwhile, Others segment was down 10.1% YoY to Rs16.1bn. EBITDA grew 7.0% YoY to Rs68.1bn (PLe: Rs73.8bn). EBITDA margin declined by 32bps YoY to 10.0% (PLe: 10.3%). Adj. PAT rose 15.6% YoY to Rs39.3bn (PLe: Rs43.1bn) aided by higher other income (up 25.7% YoY to Rs13.8bn) and lower interest costs (down 13.7% YoY to Rs7.6bn).

Strong order book of Rs6.67trn with robust inflows: Consolidated order inflows came in at Rs1.2trn, up 44.6% YoY. Order book stands at ~Rs6.67trn (2.5x TTM revenue), up 30.7% YoY.

Exhibit 1: Higher employee expenses (+13.4% YoY to Rs129.9bn) led to EBITDA margin decline of 32bps YoY to 10.0%

Y/e March (Rs mn)	Q2FY26	Q2FY25	YoY gr.	Q2FY26E	% Var.	Q1FY26	QoQ gr.	H1FY26	H1FY25	YoY gr.
Revenue	679,835	615,546	10.4%	715,793	-5.0%	636,789	6.8%	1,316,625	1,166,744	12.8%
Gross Profit	243,951	220,971	10.4%	252,675	-3.5%	234,481	4.0%	478,432	430,409	11.2%
Margin (%)	35.9	35.9	(1)	35.3	58	36.8	(94)	36.3	36.9	(55)
Employee Cost	129,860	114,557	13.4%	130,990	-0.9%	126,384	2.7%	256,244	224,992	13.9%
as % of sales	19.1	18.6	49	18.3	80	19.8	(75)	19.5	19.3	18
Other expenditure	28,958	27,244	6.3%	30,779	-5.9%	27,857	4.0%	56,815	55,788	1.8%
as % of sales	4.3	4.4	(17)	4.3	(4)	4.4	(11)	4.3	4.8	(47)
Finance cost of fin. serv. business	17,068	15,550	9.8%	17,100	-0.2%	17,064	0.0%	34,132	29,855	14.3%
as % of sales	2.5	2.5	(2)	2.4	12	2.7	(17)	2.6	2.6	3
EBITDA	68,064	63,620	7.0%	73,806	-7.8%	63,177	7.7%	131,241	119,773	9.6%
Margin (%)	10.0	10.3	(32)	10.3	(30)	9.9	9	10.0	10.3	(30)
Depreciation	10,918	10,238	6.6%	10,500	4.0%	10,333	5.7%	21,251	20,218	5.1%
EBIT	57,146	53,382	7.1%	63,306	-9.7%	52,844	8.1%	109,990	99,556	10.5%
Margin (%)	8.4	8.7	(27)	8.8	(44)	8.3	11	8.4	8.5	(18)
Other Income	13,843	11,013	25.7%	11,200	23.6%	13,568	2.0%	27,411	20,219	35.6%
Interest	7,628	8,844	-13.7%	8,200	-7.0%	7,816	-2.4%	15,444	17,457	-11.5%
PBT (ex. Extra-ordinaries)	63,361	55,551	14.1%	66,306	-4.4%	58,595	8.1%	121,956	102,317	19.2%
Margin (%)	9.3	9.0	30	9.3	6	9.2	12	9.3	8.8	49
Extraordinary Items	-	-	-	-	-	-	-	-	-	-
PBT	63,361	55,551	14.1%	66,306	-4.4%	58,595	8.1%	121,956	102,317	19.2%
Total Tax	16,490	14,423	14.3%	16,709	-1.3%	15,340	7.5%	31,830	26,788	18.8%
Effective Tax Rate (%)	26.0	26.0	6	25.2	83	26.2	(15)	26.1	26.2	(8)
PAT before MI & JV	46,871	41,128	14.0%	49,597	-5.5%	43,256	8.4%	90,127	75,529	19.3%
Reported PAT	39,261	33,953	15.6%	43,137	-9.0%	36,172	8.5%	75,433	61,810	22.0%
Adj. PAT	39,261	33,953	15.6%	43,137	-9.0%	36,172	8.5%	75,433	61,810	22.0%
Adj. EPS	28.5	24.7	15.6%	31.4	-9.0%	26.3	8.5%	54.8	44.9	22.0%

Source: Company, PL

Exhibit 2: Infrastructure Projects segment execution was impacted by slower execution in water and prolonged monsoons

Segment Performance	Q2FY26	Q2FY25	YoY gr.	Q2FY26E	% Var.	Q1FY26	QoQ gr.	H1FY26	H1FY25	YoY gr.
Revenue (Rs mn)										
Infrastructure Projects	321,486	323,523	-0.6%	351,871	-8.6%	290,314	10.7%	611,800	595,318	2.8%
Energy Projects	130,903	88,798	47.4%	134,209	-2.5%	124,743	4.9%	255,647	173,802	47.1%
Hi-Tech Manufacturing	28,308	21,759	30.1%	32,896	-13.9%	33,621	-15.8%	61,930	40,957	51.2%
IT & Technology Services	133,535	119,606	11.6%	129,174	3.4%	126,790	5.3%	260,326	235,173	10.7%
Financial Services	41,663	38,366	8.6%	40,668	2.4%	39,710	4.9%	81,373	75,006	8.5%
Development Projects	15,330	13,829	10.9%	14,037	9.2%	12,424	23.4%	27,754	27,102	2.4%
Others	16,120	17,925	-10.1%	20,170	-20.1%	15,192	6.1%	31,312	32,900	-4.8%
Total	687,347	623,807	10.2%	723,023	-4.9%	642,794	6.9%	1,330,141	1,180,258	12.7%
Less: Inter-segment revenue	7,511	8,261	-9.1%	7,230	3.9%	6,005	25.1%	13,516	13,514	0.0%
Net Revenue	679,835	615,546	10.4%	715,793	-5.0%	636,789	6.8%	1,316,625	1,166,744	12.8%
EBIT (Rs mn)										
Infrastructure Projects	16,375	15,502	5.6%	17,242	-5.0%	12,733	28.6%	29,108	27,503	5.8%
Energy Projects	8,863	7,091	25.0%	9,529	-7.0%	8,419	5.3%	17,282	13,783	25.4%
Hi-Tech Manufacturing	3,452	2,097	64.6%	4,046	-14.7%	4,294	-19.6%	7,745	4,766	62.5%
IT & Technology Services	22,108	20,798	6.3%	20,926	5.6%	20,453	8.1%	42,562	39,913	6.6%
Financial Services	9,889	9,395	5.3%	9,232	7.1%	9,432	4.8%	19,321	18,619	3.8%
Development Projects	870	1,358	-36.0%	1,614	-46.1%	1,433	-39.3%	2,302	2,831	-18.7%
Others	4,099	3,837	6.8%	4,841	-15.3%	4,242	-3.4%	8,341	6,745	23.7%
Total	65,656	60,079	9.3%	67,429	-2.6%	61,005	7.6%	126,661	114,158	11.0%
EBIT Margin (%)										
Infrastructure Projects	5.1	4.8	30	4.9	19	4.4	71	4.8	4.6	14
Energy Projects	6.8	8.0	-121	7.1	-33	6.7	2	6.8	7.9	-117
Hi-Tech Manufacturing	12.2	9.6	256	12.3	-11	12.8	-58	12.5	11.6	87
IT & Technology Services	16.6	17.4	-83	16.2	36	16.1	42	16.3	17.0	-62
Financial Services	23.7	24.5	-75	22.7	104	23.8	-2	23.7	24.8	-108
Development Projects	5.7	9.8	-415	11.5	-583	11.5	-586	8.3	10.4	-215
Others	25.4	21.4	402	24.0	143	27.9	-249	26.6	20.5	614

Source: Company, PL

Exhibit 3: SOTP Valuation – Core business accounts for ~73% 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	216,523	P/E	22	100	4,763,503	3,463	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
Total						3,542	
Subsidiaries							
L&T Finance	667,815	Target Mcap		66	439,823	320	Target Mcap
LTI Mindtree	1,731,667	Target Mcap		69	1,187,923	864	Target Mcap
L&T Technology Services	477,683	Target Mcap		74	352,243	256	Target Mcap
Total Subsidiaries				15% holding co. disc.	1,682,991	1,224	
Grand Total						4,766	

Source: Company, PL

Conference Call Highlights

- **Guidance:** Management has reiterated their guidance for FY26, projecting ~10% growth in order intake and ~15% revenue growth, with a P&M margin of ~8.5% driven by better execution. Additionally, the NWC-to-sales ratio is expected to rise to ~12.0%, vs ~10.2% in Q2FY26.
- **Order prospects for remaining H2FY26** stand at Rs10.4trn vs Rs8.1trn YoY primarily driven by Infrastructure and Hydrocarbon. Total order prospects comprise of Infrastructure (Rs6.5trn vs Rs5.42trn YoY), Hydrocarbon (Rs2.93trn vs Rs2.25trn YoY), CarbonLite (Rs0.46trn vs Rs0.24trn YoY), Green & Clean Energy (Rs0.18trn vs Rs0.01trn YoY), and Hi-Tech Manufacturing (Rs0.31trn vs Rs0.16trn YoY).
- **Order book (OB) stands at Rs6.67trn** with domestic share of 51% (Rs3.40trn) and international share of 49% (Rs3.27trn). No major orders were deleted in Q2FY26. Slow-moving orders constitute ~3.0% of the order book.
- **Infrastructure Projects:** Revenue was flattish primarily due to slower execution in water projects and impact of prolonged monsoon. Q2FY26 order inflow came in at Rs527bn (vs Rs495bn in Q2FY25). Major orders primarily came from B&F, Heavy Civil Infrastructure, Power T&D and Renewables businesses. Order prospects for remaining H2FY26 is Rs6.5trn (domestic: Rs4.25trn; international: Rs2.25trn) vs Rs5.42trn YoY, comprise of Transportation Infra – 21%, Minerals & Metals – 10%, Buildings & Factories – 13%, Water & Effluent Treatment – 15%, Power T&D – 14%, Renewables – 11%, and Heavy Civil Infra – 16%. The execution period of infrastructure order book is ~3 years. Given the current execution pace and control over timelines, management expect the segment margins to sustain current levels.
- **Energy Projects (Hydrocarbon & Carbon Lite Solutions):** Order intake came in at Rs382bn vs Rs388bn in Q2FY25 primarily aided by receipt of ultra-mega orders in both onshore and offshore Hydrocarbon businesses. Order prospects stand at 1) Hydrocarbon – Rs2.93trn, of which 93% are international prospects primarily in Middle East 2) CarbonLite – Rs0.46trn and 3) Green and Clean energy – Rs0.18trn. Order book stands at Rs2.1trn with a domestic/international mix of 29%/71% and Hydrocarbon/CarbonLite mix of Rs1.6trn/Rs0.48trn. Revenue growth of 47.4% YoY was primarily attributed to execution ramp up in international projects of Hydrocarbon business. Segment margin was lower due to cost over runs in some of the projects which are in final stages and the margin is expected to continue to remain subdued for FY26.
- **Hi-Tech Manufacturing (Precision & Heavy Engineering):** Order inflow for the quarter declined 34.1% YoY to Rs25.8bn primarily due deferral of orders. Order prospects stand at Rs0.31trn (vs ~Rs0.16trn YoY). Of which, Heavy engineering prospects stand at Rs64bn while prospects for Precision Engineering stand at Rs0.25trn. Revenue growth was attributable to improved execution in both the Heavy Engineering and Precision Engineering & Systems businesses. EBITDA margin improved to 14.7% (vs 12.8% in Q2FY25) due to improved operational profitability.

- **Hyderabad Metro:** Company has entered into an agreement with Telangana government to sell its entire stake in Hyderabad Metro at a cash consideration of ~Rs20bn. L&T's total equity investment stood at Rs74bn in Hyderabad Metro which led to it recording an impairment of Rs54bn to its equity investment. Operationally, increased average fare from Rs38 to Rs46 led to revenue growth and margin improvement in Hyderabad Metro. Ridership in Q2FY26 stood at 4.39 lakh passengers per day (vs 4.68 lakh passengers per day in Q2FY25). At PAT level, its loss decreased from Rs2.07bn in Q2FY25 to Rs1.75bn in Q2FY26.
- **L&T's partnership with BEL for India's AMCA project:** L&T has partnered with BEL to jointly bid for the AMCA program, with both companies holding equal stakes in the joint venture. The partnership's scope initially covers development of the prototype, with work-share details to be finalized later. The shortlist for the program is expected in Q3FY26, followed by the RFP in the same fiscal and final winner announcement in Q4FY27. Prototype delivery is targeted for FY28–29, while serial production is anticipated 8–9 years in the future. As a fully funded project, the AMCA program will be executed in collaboration with ADA, mitigating cash flow challenges for the selected consortium.

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	25,57,345	29,73,556	34,00,008	38,64,564
YoY gr. (%)	15.7	16.3	14.3	13.7
Cost of Goods Sold	9,65,662	10,52,639	11,76,403	13,41,004
Gross Profit	15,91,683	19,20,917	22,23,605	25,23,560
Margin (%)	62.2	64.6	65.4	65.3
Employee Cost	4,67,687	5,24,978	5,89,551	6,54,401
Other Expenses	2,75,336	3,30,065	3,80,801	4,36,696
EBITDA	2,64,347	3,10,591	3,82,852	4,39,270
YoY gr. (%)	12.5	17.5	23.3	14.7
Margin (%)	10.3	10.4	11.3	11.4
Depreciation and Amortization	41,212	43,048	45,888	52,438
EBIT	2,23,136	2,67,543	3,36,964	3,86,832
Margin (%)	8.7	9.0	9.9	10.0
Net Interest	33,344	33,813	34,200	35,526
Other Income	41,248	46,685	51,680	54,877
Profit Before Tax	2,35,788	2,80,414	3,54,443	4,06,183
Margin (%)	9.2	9.4	10.4	10.5
Total Tax	58,914	70,664	90,383	1,03,577
Effective tax rate (%)	25.0	25.2	25.5	25.5
Profit after tax	1,76,874	2,09,750	2,64,060	3,02,606
Minority interest	26,362	28,998	31,898	32,855
Share Profit from Associate	(141)	(155)	(170)	(170)
Adjusted PAT	1,47,091	1,80,906	2,32,332	2,69,921
YoY gr. (%)	13.4	23.0	28.4	16.2
Margin (%)	5.8	6.1	6.8	7.0
Extra Ord. Income / (Exp)	3,562	-	-	-
Reported PAT	1,50,652	1,80,906	2,32,332	2,69,921
YoY gr. (%)	15.4	20.1	28.4	16.2
Margin (%)	5.9	6.1	6.8	7.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,50,652	1,80,906	2,32,332	2,69,921
Equity Shares O/s (m)	1,375	1,375	1,375	1,375
EPS (Rs)	106.9	131.5	168.9	196.3

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	5,82,590	6,26,763	6,77,498	7,32,853
Tangibles	2,97,929	3,42,102	3,92,838	4,48,192
Intangibles	2,84,661	2,84,661	2,84,661	2,84,661
Acc: Dep / Amortization	1,56,644	1,99,692	2,45,580	2,98,018
Tangibles	1,56,644	1,99,692	2,45,580	2,98,018
Intangibles	-	-	-	-
Net fixed assets	4,25,946	4,27,071	4,31,919	4,34,835
Tangibles	1,41,286	1,42,411	1,47,258	1,50,174
Intangibles	2,84,661	2,84,661	2,84,661	2,84,661
Capital Work In Progress	23,909	29,736	34,000	38,646
Goodwill	-	-	-	-
Non-Current Investments	7,81,626	8,58,160	9,71,437	11,03,640
Net Deferred tax assets	33,829	33,829	33,829	33,829
Other Non-Current Assets	72,414	83,260	91,800	1,04,343
Current Assets				
Investments	4,33,606	4,76,967	4,76,967	4,76,967
Inventories	76,706	97,761	1,11,781	1,27,054
Trade receivables	5,37,137	6,27,298	7,26,577	8,25,852
Cash & Bank Balance	2,29,653	2,17,311	2,43,971	2,62,044
Other Current Assets	7,57,173	8,32,596	9,52,002	10,82,078
Total Assets	37,57,312	41,55,663	46,01,455	50,93,111
Equity				
Equity Share Capital	2,750	2,750	2,750	2,750
Other Equity	9,73,806	11,45,045	13,53,025	15,97,548
Total Network	9,76,556	11,47,796	13,55,775	16,00,298
Non-Current Liabilities				
Long Term borrowings	9,36,980	9,36,980	9,36,980	9,36,980
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	3,58,613	3,73,613	7,50,560	7,65,560
Trade payables	5,24,593	6,11,005	6,98,632	7,83,501
Other current liabilities	8,16,917	9,42,617	10,77,803	12,25,067
Total Equity & Liabilities	37,57,312	41,55,663	49,63,402	54,55,058

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	2,31,040	2,80,414	3,54,443	4,06,183
Add. Depreciation	41,212	43,048	45,888	52,438
Add. Interest	33,344	33,813	34,200	35,526
Less Financial Other Income	41,248	46,685	51,680	54,877
Add. Other	(37,336)	-	-	-
Op. profit before WC changes	2,68,260	3,57,276	4,34,532	4,94,147
Net Changes-WC	(1,20,642)	(1,16,955)	(1,63,521)	(2,01,269)
Direct tax	(56,011)	(70,664)	(90,383)	(1,03,577)
Net cash from Op. activities	91,607	1,69,657	1,80,628	1,89,302
Capital expenditures	(58,249)	(50,000)	(55,000)	(60,000)
Interest / Dividend Income	22,278	-	-	-
Others	(1,19,204)	(74,676)	(23,687)	(32,620)
Net Cash from Invt. activities	(1,55,175)	(1,24,676)	(78,687)	(92,620)
Issue of share cap. / premium	93	-	-	-
Debt changes	1,57,146	15,000	15,000	15,000
Dividend paid	(38,496)	(38,510)	(56,081)	(58,083)
Interest paid	(36,095)	(33,813)	(34,200)	(35,526)
Others	(16,796)	-	-	-
Net cash from Fin. activities	65,853	(57,323)	(75,281)	(78,609)
Net change in cash	2,285	(12,342)	26,660	18,073
Free Cash Flow	47,419	1,19,657	1,25,628	1,29,302

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	106.9	131.5	168.9	196.3
CEPS	136.9	162.8	202.3	234.4
BVPS	710.0	834.5	985.8	1,163.5
FCF	34.5	87.0	91.3	94.0
DPS	28.0	40.8	42.2	49.1
Return Ratio(%)				
RoCE	10.4	11.3	12.2	12.2
ROIC	11.3	12.0	12.4	11.8
RoE	16.0	17.0	18.6	18.3
Balance Sheet				
Net Debt : Equity (x)	0.6	0.5	0.7	0.6
Net Working Capital (Days)	13	14	15	16
Valuation(x)				
PER	37.0	30.1	23.4	20.2
P/B	5.6	4.7	4.0	3.4
P/CEPS	136.9	162.8	202.3	234.4
EV/EBITDA	23.0	19.5	16.7	14.6
EV/Sales	2.4	2.0	1.9	1.7
Dividend Yield (%)	0.7	1.0	1.1	1.2

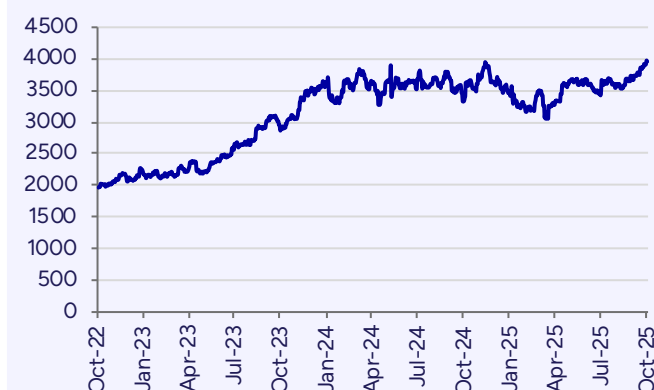
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	6,46,678	7,43,923	6,36,789	6,79,835
YoY gr. (%)	17.3	10.9	15.5	10.4
Raw Material Expenses	4,19,719	4,90,653	4,02,308	4,35,885
Gross Profit	2,26,959	2,53,270	2,34,481	2,43,951
Margin (%)	35.1	34.0	36.8	35.9
EBITDA	62,549	82,025	63,177	68,064
YoY gr. (%)	8.6	13.4	12.5	7.0
Margin (%)	9.7	11.0	9.9	10.0
Depreciation / Depletion	10,470	10,524	10,333	10,918
EBIT	52,079	71,501	52,844	57,146
Margin (%)	8.1	9.6	8.3	8.4
Net Interest	8,427	7,459	7,816	7,628
Other Income	9,679	11,351	13,568	13,843
Profit before Tax	53,330	80,140	58,595	63,361
Margin (%)	8.2	10.8	9.2	9.3
Total Tax	13,320	18,806	15,340	16,490
Effective tax rate (%)	25.0	23.5	26.2	26.0
Profit after Tax	40,010	61,334	43,256	46,871
Minority interest	6,151	6,586	7,010	7,519
Share Profit from Associates	(271)	224	(74)	(91)
Adjusted PAT	33,588	51,339	36,172	39,261
YoY gr. (%)	14.0	18.8	29.8	15.6
Margin (%)	5.2	6.9	5.7	5.8
Extra Ord. Income / (Exp)	-	3,634	-	-
Reported PAT	33,588	54,973	36,172	39,261
YoY gr. (%)	14.0	25.0	29.8	15.6
Margin (%)	5.2	7.4	5.7	5.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	33,588	54,973	36,172	39,261
Avg. Shares O/s (m)	1,375	1,375	1,375	1,375
EPS (Rs)	24.4	37.3	26.3	28.5

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Oct-25	BUY	4,144	3,730
2	30-Jul-25	BUY	4,144	3,496
3	09-Jul-25	BUY	4,037	3,607
4	09-May-25	BUY	4,004	3,324
5	09-Apr-25	BUY	3,920	3,161
6	31-Jan-25	BUY	4,025	3,421
7	09-Jan-25	BUY	4,088	3,596
8	31-Oct-24	BUY	4,088	3,408

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	Accumulate	5,584	5,224
2	Apar Industries	Hold	9,540	8,531
3	BEML	Hold	4,142	4,336
4	Bharat Electronics	Hold	374	410
5	BHEL	Hold	215	245
6	Carborundum Universal	Hold	835	919
7	Cummins India	Hold	3,895	3,957
8	Elgi Equipments	Accumulate	559	494
9	Engineers India	BUY	245	202
10	GE Vernova T&D India	Accumulate	2,706	3,098
11	Grindwell Norton	Hold	1,739	1,681
12	Harsha Engineers International	Hold	402	395
13	Hindustan Aeronautics	BUY	5,500	4,838
14	Ingersoll-Rand (India)	BUY	4,335	4,101
15	Kalpataru Projects International	Accumulate	1,366	1,273
16	KEC International	Accumulate	911	861
17	Kirloskar Pneumatic Company	BUY	1,620	1,150
18	Larsen & Toubro	BUY	4,144	3,730
19	Praj Industries	Hold	393	353
20	Siemens	Accumulate	3,431	3,246
21	Siemens Energy India	Hold	3,360	3,282
22	Thermax	Hold	3,633	3,185
23	Triveni Turbine	BUY	650	524
24	Voltamp Transformers	BUY	10,285	7,190

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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3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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