

May 9, 2025

## Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
<b>Rating</b>	<b>BUY</b>		<b>BUY</b>	
<b>Target Price</b>	<b>4,004</b>		<b>3,920</b>	
Sales (Rs. m)	29,57,151	33,70,149	29,77,776	33,65,348
% Chng.	(0.7)	0.1		
EBITDA (Rs. m)	3,17,810	3,84,422	3,26,213	3,89,236
% Chng.	(2.6)	(1.2)		
EPS (Rs.)	134.9	168.8	137.6	169.1
% Chng.	(2.0)	(0.2)		

### Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	2,211	2,557	2,957	3,370
EBITDA (Rs. bn)	235	264	318	384
Margin (%)	10.6	10.3	10.7	11.4
PAT (Rs. bn)	130	147	186	232
EPS (Rs.)	94.3	107.0	134.9	168.8
Gr. (%)	25.5	13.4	26.1	25.1
DPS (Rs.)	28.0	28.0	41.8	42.2
Yield (%)	0.8	0.8	1.3	1.3
RoE (%)	14.8	16.0	17.4	18.5
RoCE (%)	9.7	10.4	11.6	12.2
EV/Sales (x)	2.4	2.0	1.7	1.6
EV/EBITDA (x)	22.2	19.7	16.1	14.1
PE (x)	35.3	31.1	24.6	19.7
P/BV (x)	5.3	4.7	4.0	3.4

### Key Data

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52-W High / Low	Rs.3,964 / Rs.2,965
Sensex / Nifty	80,335 / 24,274
Market Cap	Rs.4,571bn / \$ 53,326m
Shares Outstanding	1,375m
3M Avg. Daily Value	Rs.7263.26m

### Shareholding Pattern (%)

Promoter's	-
Foreign	19.80
Domestic Institution	42.71
Public & Others	37.49
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	5.2	(9.2)	(4.7)
Relative	(2.8)	(10.1)	(12.8)

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## Healthy Q4; positioned for growth amid strategic wins

### Quick Pointers:

- Strong order prospects worth Rs19.0trn for FY26 (vs Rs12.1trn in FY25) are primarily driven by Hydrocarbon, CarbonLite and Green & Clean energy.
- Management guided for a ~10% order intake growth and ~15% revenue growth with P&M margin of ~8.5% in FY26.

**Larsen & Toubro (L&T) reported consol. revenue growth of 10.9% YoY, while EBITDA margin improved 24bps YoY to 11.0%. L&T continues to exhibit strong growth prospects across key segments such as Hydrocarbon, Heavy Civil, Transmission & Distribution, and Renewable Energy, both in domestic and international markets. Notably, its recent ultra-mega order from Qatar Energy underscores its growing presence in the Middle East. Furthermore, L&T's strategic expansion into emerging sectors like semiconductors, data centers, and green hydrogen is expected to drive long-term growth. Operationally, the net working capital (NWC) to sales ratio improved to ~11% in FY25 (vs ~12% in FY24), supported by better gross working capital management and strong collections. While geopolitical instability and supply chain disruptions warrant a measured approach, the management's FY26 guidance of ~10% order intake growth, ~15% revenue growth, and P&M margins of ~8.5% reflects confidence in the company's robust execution capabilities and resilient business model.**

**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) improving profitability in development projects, and 4) penetration in newer areas such as green energy, electrolyzers, semiconductors, data centers, etc. The stock is currently trading at a P/E of 24.6x/19.7x on FY26/27E earnings. We maintain 'Buy' rating and roll forward to Mar'27 with a revised SoTP-derived TP of Rs4,004 (Rs3,920 earlier), valuing the core business at a P/E of 25x Mar'27E (25x Sep'26 earlier).**

### Healthy execution in both domestic and international business drives growth:

Consolidated revenue rose 10.9% YoY to Rs743.9bn (PLe: Rs783.4bn) driven by healthy execution in domestic business (+11.9% YoY to Rs416.3bn), particularly in Energy projects and Hi-Tech Manufacturing. Meanwhile, international revenue inched up by 9.7% YoY to Rs327.6bn. EBITDA grew 13.4% YoY to Rs82.0bn (PLe: Rs84.3bn). EBITDA margin improved by 24bps YoY at 11.0% (PLe: 10.8%; consensus: 10.9%), led by gross margin improvement of 57bps YoY to 34.0%. Adj. PAT rose 16.7% YoY to Rs50.2bn (PLe: Rs48.6bn;) aided by healthy revenue growth, higher other income (up 9.0% YoY to Rs11.4bn) and lower interest costs (down 19.5% YoY to Rs7.5bn).

**Strong order book of Rs5.8trn with robust inflows:** Consolidated order inflows came in at Rs896.1bn, up 24.2% YoY aided by receipt of ultra-mega order in Hydrocarbon business. Domestic/International order intake mix stood at 30%/70%. Order book stands at ~Rs5.8trn (2.3x TTM revenue), up 21.7% YoY, with domestic/international mix of 30%/70%.

**Exhibit 1: EBITDA margin rose by 24bps YoY to 11.0% aided by gross margin expansion (up 57bps YoY to 34.0%)**

Y/e March (Rs mn)	Q4FY25	Q4FY24	YoY gr.	Q4FY25E	% Var.	Q3FY25	QoQ gr.	FY25	FY24	YoY gr.
<b>Revenue</b>	<b>7,43,923</b>	<b>6,70,787</b>	<b>10.9%</b>	<b>7,83,399</b>	<b>-5.0%</b>	<b>6,46,678</b>	<b>15.0%</b>	<b>25,57,345</b>	<b>22,11,129</b>	<b>15.7%</b>
Gross Profit	2,53,270	2,24,524	12.8%	2,59,311	-2.3%	2,26,959	11.6%	9,10,638	8,07,990	12.7%
Margin (%)	34.0	33.5	57	33.1	94	35.1	(105)	35.6	36.5	(93)
Employee Cost	1,23,573	1,07,295	15.2%	1,21,531	1.7%	1,19,122	3.7%	4,67,687	4,11,710	13.6%
as % of sales	16.6	16.0	62	15.5	110	18.4	(181)	18.3	18.6	(33)
Other expenditure	30,938	30,698	0.8%	34,810	-11.1%	28,855	7.2%	1,15,581	1,04,194	10.9%
as % of sales	4.2	4.6	(42)	4.4	(28)	4.5	(30)	4.5	4.7	(19)
Finance cost of fin. serv. business	16,734	14,191	17.9%	18,632	-10.2%	16,433	1.8%	63,022	57,149	10.3%
as % of sales	2.2	2.1	13	2.4	(13)	2.5	(29)	2.5	2.6	(12)
<b>EBITDA</b>	<b>82,025</b>	<b>72,340</b>	<b>13.4%</b>	<b>84,337</b>	<b>-2.7%</b>	<b>62,549</b>	<b>31.1%</b>	<b>2,64,347</b>	<b>2,34,937</b>	<b>12.5%</b>
Margin (%)	11.0	10.8	24	10.8	26	9.7	135	10.3	10.6	(29)
Depreciation	10,524	10,212	3.1%	10,305	2.1%	10,470	0.5%	41,212	36,823	11.9%
<b>EBIT</b>	<b>71,501</b>	<b>62,128</b>	<b>15.1%</b>	<b>74,032</b>	<b>-3.4%</b>	<b>52,079</b>	<b>37.3%</b>	<b>2,23,136</b>	<b>1,98,113</b>	<b>12.6%</b>
Margin (%)	9.6	9.3	35	9.5	16	8.1	156	8.7	9.0	(23)
Other Income	11,351	10,417	9.0%	9,055	25.4%	9,679	17.3%	41,248	41,580	-0.8%
Interest	7,459	9,263	-19.5%	8,431	-11.5%	8,427	-11.5%	33,344	35,459	-6.0%
<b>PBT (ex. Extra-ordinaries)</b>	<b>75,392</b>	<b>63,282</b>	<b>19.1%</b>	<b>74,656</b>	<b>1.0%</b>	<b>53,330</b>	<b>41.4%</b>	<b>2,31,040</b>	<b>2,04,235</b>	<b>13.1%</b>
Margin (%)	10.1	9.4	70	9.5	60	8.2	189	9.0	9.2	(20)
Extraordinary Items	4,748	936	-	-	-	-	-	4,748	936	-
<b>PBT</b>	<b>80,140</b>	<b>64,218</b>	<b>24.8%</b>	<b>74,656</b>	<b>7.3%</b>	<b>53,330</b>	<b>50.3%</b>	<b>2,35,788</b>	<b>2,05,171</b>	<b>14.9%</b>
Total Tax	18,806	14,183	32.6%	19,310	-2.6%	13,320	41.2%	58,914	49,474	19.1%
Effective Tax Rate (%)	23.5	22.1	138	25.9	(240)	25.0	(151)	25.0	24.1	87
<b>PAT before MI &amp; JV</b>	<b>61,334</b>	<b>50,035</b>	<b>22.6%</b>	<b>55,346</b>	<b>10.8%</b>	<b>40,010</b>	<b>53.3%</b>	<b>1,76,874</b>	<b>1,55,697</b>	<b>13.6%</b>
<b>Reported PAT</b>	<b>54,973</b>	<b>43,961</b>	<b>25.0%</b>	<b>48,616</b>	<b>13.1%</b>	<b>33,588</b>	<b>63.7%</b>	<b>1,50,652</b>	<b>1,30,591</b>	<b>15.4%</b>
<b>Adj. PAT</b>	<b>50,225</b>	<b>43,025</b>	<b>16.7%</b>	<b>48,616</b>	<b>3.3%</b>	<b>33,588</b>	<b>49.5%</b>	<b>1,47,091</b>	<b>1,29,655</b>	<b>13.4%</b>
<b>Adj. EPS</b>	<b>36.5</b>	<b>31.3</b>	<b>16.7%</b>	<b>35.4</b>	<b>3.3%</b>	<b>24.4</b>	<b>49.5%</b>	<b>107.0</b>	<b>94.3</b>	<b>13.4%</b>

Source: Company, PL

**Exhibit 2: Strong execution in Energy projects and Hi-Tech manufacturing aids modest revenue growth of 10.9% YoY**

Segment Performance	Q4FY25	Q4FY24	YoY gr.	Q4FY25E	% Var.	Q3FY25	QoQ gr.	FY25	FY24	YoY gr.
<b>Revenue (Rs mn)</b>										
Infrastructure Projects	3,93,748	3,83,694	2.6%	4,13,780	-4.8%	3,24,080	21.5%	12,98,970	11,40,082	13.9%
Energy Projects	1,22,536	82,159	49.1%	1,46,101	-16.1%	1,10,554	10.8%	4,06,680	2,95,709	37.5%
Hi-Tech Manufacturing	34,961	25,712	36.0%	29,861	17.1%	25,891	35.0%	96,950	87,653	10.6%
IT & Technology Services	1,27,171	1,13,827	11.7%	1,22,946	3.4%	1,22,189	4.1%	4,78,450	4,49,163	6.5%
Financial Services	38,121	35,982	5.9%	34,968	9.0%	38,813	-1.8%	1,51,940	1,31,086	15.9%
Development Projects	12,276	12,586	-2.5%	16,438	-25.3%	14,346	-14.4%	53,710	51,160	5.0%
Others	26,390	25,159	4.9%	16,004	64.9%	18,874	39.8%	70,650	84,929	-16.8%
<b>Total</b>	<b>7,55,203</b>	<b>6,79,119</b>	<b>11.2%</b>	<b>7,80,099</b>	<b>-3.2%</b>	<b>6,54,746</b>	<b>15.3%</b>	<b>25,57,350</b>	<b>22,39,782</b>	<b>14.2%</b>
Less: Inter-segment revenue	11,280	8,333	35.4%	(3,276)	-444.4%	8,068	39.8%	32,862	33,773	-2.7%
<b>Net Revenue</b>	<b>7,43,923</b>	<b>6,70,787</b>	<b>10.9%</b>	<b>7,83,374</b>	<b>-5.0%</b>	<b>6,46,678</b>	<b>15.0%</b>	<b>25,57,350</b>	<b>22,06,009</b>	<b>15.9%</b>
<b>EBIT (Rs mn)</b>										
Infrastructure Projects	27,564	26,298	4.8%	23,675	16.4%	14,148	94.8%	69,215	57,209	21.0%
Energy Projects	9,202	8,606	6.9%	16,014	-42.5%	8,386	9.7%	31,371	27,006	16.2%
Hi-Tech Manufacturing	5,939	3,568	66.4%	4,647	27.8%	3,886	52.8%	14,591	11,398	28.0%
IT & Technology Services	18,571	18,693	-0.7%	18,599	-0.1%	18,338	1.3%	76,822	76,588	0.3%
Financial Services	8,055	6,940	16.1%	7,363	9.4%	8,239	-2.2%	34,913	30,284	15.3%
Development Projects	3,253	1,392	133.6%	1,470	121.3%	1,488	118.6%	7,572	5,027	50.6%
Others	8,359	4,816	73.6%	2,905	187.7%	4,245	96.9%	19,348	15,077	28.3%
<b>Total</b>	<b>80,942</b>	<b>70,314</b>	<b>15.1%</b>	<b>74,674</b>	<b>8.4%</b>	<b>58,730</b>	<b>37.8%</b>	<b>2,53,830</b>	<b>2,22,590</b>	<b>14.0%</b>
<b>EBIT Margin (%)</b>										
Infrastructure Projects	7.0	6.9	15	5.7	128	4.4	263	5.3	5.0	31
Energy Projects	7.5	10.5	-297	11.0	-345	7.6	-8	7.7	9.1	-142
Hi-Tech Manufacturing	17.0	13.9	311	15.6	142	15.0	198	15.0	13.0	205
IT & Technology Services	14.6	16.4	-182	15.1	-52	15.0	-40	16.1	17.1	-99
Financial Services	21.1	19.3	184	21.1	7	21.2	-10	23.0	23.1	-12
Development Projects	26.5	11.1	1,543	8.9	1,756	10.4	1,612	14.1	9.8	427
Others	31.7	19.1	1,253	18.2	1,352	22.5	919	27.4	17.8	963

Source: Company, PL

**Exhibit 3: SOTP Valuation – Core business accounts for ~71% 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	1,57,021	P/E	25	100	39,25,531	2,855	25x FY27 EPS
L&T Power development	22,897	P/B	1	100	22,897	17	1x equity investment
L&T Hyderabad Metro	74,130	P/B	1.5	100	1,11,195	81	1.5x equity investment
Other Businesses	46,262	P/B	1	100	46,262	34	1x equity investment
<b>Total</b>						<b>2,986</b>	
<b>Subsidiaries</b>							
L&T Finance	4,44,087	Target Mcap		66	2,92,475	213	Target Mcap
LTI Mindtree	14,47,355	Target Mcap		69	9,92,885	722	Target Mcap
L&T Technology Services	4,88,952	Target Mcap		74	3,60,554	262	Target Mcap
<b>Total Subsidiaries</b>				15% holding co. disc.	13,99,027	1,017	
<b>Total</b>						<b>4,004</b>	

Source: Company, PL

## Conference Call Highlights

- **Cautiously optimistic about FY26 amid geopolitical unrest:** Management has provided conservative guidance for FY26, projecting ~10% growth in order intake and ~15% revenue growth, with a P&M margin of ~8.5%. This outlook reflects a cautiously optimistic stance amid ongoing geopolitical and supply chain uncertainties. Additionally, the NWC-to-sales ratio is expected to rise to ~12%, vs ~11% in FY25.
- **Order prospects for FY26** stand at Rs19.0trn vs Rs12.1trn YoY primarily driven by Infrastructure, Hydrocarbon, CarbonLite and Green & Clean energy. Total order prospects comprise of Infrastructure (Rs9.64trn vs Rs7.25trn YoY), Hydrocarbon (Rs7.47trn vs Rs3.87trn YoY), CarbonLite (Rs0.9trn vs Rs0.5trn YoY), Green & Clean Energy (Rs0.7trn vs Rs0.1trn YoY), and Hi-Tech Manufacturing (Rs0.29trn vs Rs0.34trn YoY).
- **Order book (OB) stands at Rs5.79trn** with domestic share of 54% (Rs3.1trn) and international share of 46% (Rs2.7trn). ~14% of the order book is funded by bilateral & multilateral agencies. No orders were deleted in Q4FY25 while Rs7.0bn worth of orders were deleted in FY25. Slow-moving orders constitute ~2.0% of the order book. The share of fixed price contracts in the order book is 46% vs 42% YoY primarily due to more international order intake in FY25 which are majorly fixed cost contracts.
  - **International OB** comprises of Middle East (81%) and RoW (19%). International order book primarily consists of Power T&D, renewable energy and Hydrocarbon.
  - **Domestic OB** comprises of Central Govt (15%), State Govts (26%), PSUs (38%) and private players (21%).
- **NWC to sales ratio** reached 11% in FY25 vs 12% in FY24 primarily due to improvement in the gross working capital to sales ratio backed by prompt collections from customers.
- **Infrastructure Projects:** Subdued revenue growth was primarily due to weaker execution of domestic infrastructure. Q4FY25 order inflow came in at Rs346bn (vs Rs313bn in Q4FY24) led by 176% increase in the international order intake against a small base. Orders primarily came from B&F, Power T&D, Metals and Minerals. Order prospects for FY26 is Rs9.64trn (domestic: Rs5.65trn; international: Rs3.99trn) vs Rs7.25trn YoY, comprise of Transportation Infra – 17%, Minerals & Metals – 7%, Buildings & Factories – 11%, Water & Effluent Treatment – 10%, Power T&D – 14%, Renewables – 15%, and Heavy Civil Infra – 26%. The execution period of infrastructure order book is ~26 months.

- **Energy Projects (Hydrocarbon & Carbon Lite Solutions):** Order intake came in at Rs322bn vs Rs131bn in Q4FY24 primarily aided by receipt of an ultra-mega order in Hydrocarbon business. Order prospects stand at Hydrocarbon – Rs7.47trn vs Rs3.87trn YoY, CarbonLite – Rs0.9trn vs Rs0.5trn YoY and Green and Clean energy – Rs0.7trn vs Rs0.1trn YoY. Order book stands at Rs1.7trn with a domestic/international mix of 27%/73%. Hydrocarbon order book stands at Rs1.39trn while CarbonLite order book stands at Rs0.26trn. Revenue growth of 49.1% YoY was primarily attributed to execution ramp up of strong orderbook. Segment EBITDA margin was 8.4% vs 10.0% in Q4FY24 primarily due to early stage execution of the new orders in Hydrocarbon business.
- **Green and Clean Energy Business:** For better operational control, L&T has formed Green and Clean Energy business under its Energy Projects segment. The gas to power business will be managed under this business along with green hydrogen. L&T Green Tech received approval for 90 KTPA green hydrogen capacity in 2<sup>nd</sup> tranche of green hydrogen tendering with an average incentive of Rs11.11 per kg distributed over the next 3 years with total incentive amounting to Rs300Cr.
- **Hi-Tech Manufacturing (Precision & Heavy Engineering):** Order inflow for the quarter came in at Rs22.6bn vs Rs87.9bn in Q4FY24. Order prospects stand at Rs0.29trn (vs ~Rs0.34trn YoY). Revenue growth of 36.0% YoY to Rs35.0bn was primarily driven by better progress in jobs in the Precision Engineering & Systems business. EBITDA margin improved by 100bps YoY to 17.3% due to better execution led cost savings.
- **Development Projects (Hyderabad Metro & Nabha Power):** Lower PLF impacted the revenue growth of Nabha Power in Q4FY25 whereas the monetization of a real estate parcel aided the revenue growth of Hyderabad metro. The margin improvement in the segment was driven by the gain on TOD monetization in metro and lower interest costs in Nabha Power. Metro posted a loss of Rs0.07bn in Q4FY25 vs Rs2.11bn in Q4FY24. The improvement was primarily due to gain of Rs1.87bn on TOD monetization. Company aims to revise the fair for the Hyderabad metro in FY26.
- **Water woes:** Water projects account for Rs500-600bn of the total order book. During the quarter, water jobs could not progress as per schedule due to funding constraints of customers. In India, most of the water projects are state projects. In these projects, right of way is the one of the major issues while other being the state budget. Hence, water projects remain a headwind for the company dragging company's NWC down.

## Financials

### Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Net Revenues</b>	<b>22,11,129</b>	<b>25,57,345</b>	<b>29,57,151</b>	<b>33,70,149</b>
YoY gr. (%)	20.6	15.7	15.6	14.0
Cost of Goods Sold	8,07,731	9,65,662	10,35,003	11,55,961
Gross Profit	14,03,398	15,91,683	19,22,148	22,14,188
Margin (%)	63.5	62.2	65.0	65.7
Employee Cost	4,11,710	4,67,687	5,24,978	5,89,551
Other Expenses	2,44,865	2,75,336	3,28,244	3,77,457
<b>EBITDA</b>	<b>2,34,937</b>	<b>2,64,347</b>	<b>3,17,810</b>	<b>3,84,422</b>
YoY gr. (%)	13.2	12.5	20.2	21.0
Margin (%)	10.6	10.3	10.7	11.4
Depreciation and Amortization	36,823	41,212	43,839	47,239
<b>EBIT</b>	<b>1,98,113</b>	<b>2,23,136</b>	<b>2,73,971</b>	<b>3,37,183</b>
Margin (%)	9.0	8.7	9.3	10.0
Net Interest	35,459	33,344	33,813	34,200
Other Income	41,580	41,248	46,427	51,226
<b>Profit Before Tax</b>	<b>2,05,171</b>	<b>2,35,788</b>	<b>2,86,584</b>	<b>3,54,209</b>
Margin (%)	9.3	9.2	9.7	10.5
Total Tax	49,474	58,914	72,219	90,323
Effective tax rate (%)	24.1	25.0	25.2	25.5
<b>Profit after tax</b>	<b>1,55,697</b>	<b>1,76,874</b>	<b>2,14,365</b>	<b>2,63,886</b>
Minority interest	24,880	26,362	28,998	31,898
Share Profit from Associate	226	(141)	(155)	(170)
<b>Adjusted PAT</b>	<b>1,29,655</b>	<b>1,47,091</b>	<b>1,85,521</b>	<b>2,32,158</b>
YoY gr. (%)	25.5	13.4	26.1	25.1
Margin (%)	5.9	5.8	6.3	6.9
Extra Ord. Income / (Exp)	936	3,562	-	-
<b>Reported PAT</b>	<b>1,30,591</b>	<b>1,50,652</b>	<b>1,85,521</b>	<b>2,32,158</b>
YoY gr. (%)	24.7	15.4	23.1	25.1
Margin (%)	5.9	5.9	6.3	6.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,30,591	1,50,652	1,85,521	2,32,158
<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>94.3</b>	<b>107.0</b>	<b>134.9</b>	<b>168.8</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>5,35,084</b>	<b>5,93,038</b>	<b>6,18,038</b>	<b>6,48,038</b>
Tangibles	2,58,856	3,08,377	3,33,377	3,63,377
Intangibles	2,76,228	2,84,661	2,84,661	2,84,661
<b>Acc: Dep / Amortization</b>	<b>1,25,880</b>	<b>1,67,092</b>	<b>2,10,931</b>	<b>2,58,170</b>
Tangibles	1,25,880	1,67,092	2,10,931	2,58,170
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>4,09,204</b>	<b>4,25,946</b>	<b>4,07,107</b>	<b>3,89,868</b>
Tangibles	1,32,976	1,41,286	1,22,447	1,05,207
Intangibles	2,76,228	2,84,661	2,84,661	2,84,661
Capital Work In Progress	28,970	23,909	23,909	23,909
Goodwill	-	-	-	-
Non-Current Investments	6,74,639	7,81,626	7,76,865	8,67,723
Net Deferred tax assets	33,301	33,829	33,829	33,829
Other Non-Current Assets	64,023	72,414	82,800	90,994
<b>Current Assets</b>				
Investments	3,49,576	4,33,606	4,76,967	4,76,967
Inventories	66,202	76,706	97,221	1,10,799
Trade receivables	4,87,710	5,37,137	6,48,143	7,20,196
Cash & Bank Balance	1,53,584	2,29,653	2,75,742	3,55,103
Other Current Assets	7,18,877	7,57,173	8,28,002	9,43,642
<b>Total Assets</b>	<b>33,57,635</b>	<b>37,57,312</b>	<b>42,08,187</b>	<b>46,36,380</b>
<b>Equity</b>				
Equity Share Capital	2,749	2,750	2,750	2,750
Other Equity	8,60,843	9,73,806	11,49,671	13,56,045
<b>Total Network</b>	<b>8,63,592</b>	<b>9,76,556</b>	<b>11,52,421</b>	<b>13,58,796</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	8,62,055	9,36,980	9,36,980	9,36,980
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	2,78,343	3,58,613	3,73,613	7,50,560
Trade payables	5,32,929	5,24,593	7,29,161	8,30,996
Other current liabilities	6,92,113	8,16,917	8,72,360	9,77,343
<b>Total Equity &amp; Liabilities</b>	<b>33,57,635</b>	<b>37,57,312</b>	<b>42,08,187</b>	<b>49,98,327</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	2,04,235	2,31,040	2,86,584	3,54,209
Add. Depreciation	36,823	41,212	43,839	47,239
Add. Interest	35,459	33,344	33,813	34,200
Less Financial Other Income	41,580	41,248	46,427	51,226
Add. Other	(27,203)	(37,336)	-	-
Op. profit before WC changes	2,49,314	2,68,260	3,64,237	4,35,648
Net Changes-WC	(13,851)	(1,20,642)	(92,467)	(1,37,861)
Direct tax	(52,801)	(56,011)	(72,219)	(90,323)
<b>Net cash from Op. activities</b>	<b>1,82,663</b>	<b>91,607</b>	<b>1,99,550</b>	<b>2,07,465</b>
Capital expenditures	(90,999)	(58,249)	(25,000)	(30,000)
Interest / Dividend Income	26,342	22,278	-	-
Others	86,287	(1,19,204)	(71,148)	(21,392)
<b>Net Cash from Inv. activities</b>	<b>21,630</b>	<b>(1,55,175)</b>	<b>(96,148)</b>	<b>(51,392)</b>
Issue of share cap. / premium	97	93	-	-
Debt changes	(41,024)	1,57,146	15,000	15,000
Dividend paid	(42,170)	(38,496)	(38,500)	(57,512)
Interest paid	(36,055)	(36,095)	(33,813)	(34,200)
Others	(12,025)	(16,796)	-	-
<b>Net cash from Fin. activities</b>	<b>(1,31,176)</b>	<b>65,853</b>	<b>(57,313)</b>	<b>(76,712)</b>
<b>Net change in cash</b>	<b>73,117</b>	<b>2,285</b>	<b>46,089</b>	<b>79,361</b>
Free Cash Flow	1,37,498	47,419	1,74,550	1,77,465

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Per Share(Rs)</b>				
EPS	94.3	107.0	134.9	168.8
CEPS	121.1	136.9	166.8	203.2
BVPS	628.1	710.2	838.1	988.2
FCF	100.0	34.5	126.9	129.1
DPS	28.0	28.0	41.8	42.2
<b>Return Ratio(%)</b>				
RoCE	9.7	10.4	11.6	12.2
ROIC	9.8	11.3	12.7	13.1
RoE	14.8	16.0	17.4	18.5
<b>Balance Sheet</b>				
Net Debt : Equity (x)	0.7	0.6	0.5	0.6
Net Working Capital (Days)	3	13	2	-
<b>Valuation(x)</b>				
PER	35.3	31.1	24.6	19.7
P/B	5.3	4.7	4.0	3.4
P/CEPS	121.1	136.9	166.8	203.2
EV/EBITDA	22.2	19.7	16.1	14.1
EV/Sales	2.4	2.0	1.7	1.6
Dividend Yield (%)	0.8	0.8	1.3	1.3

Source: Company Data, PL Research

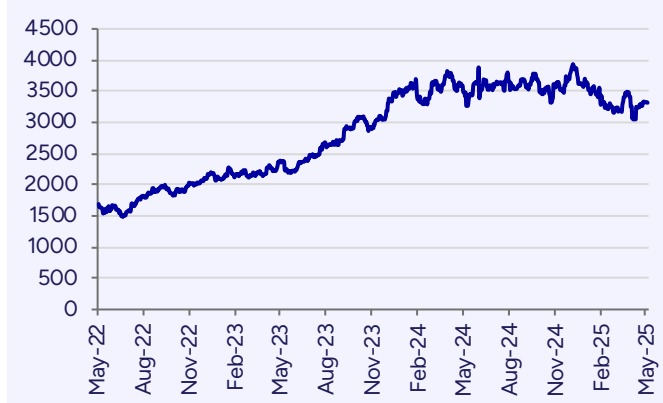
**Quarterly Financials (Rs m)**

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
<b>Net Revenue</b>	<b>5,51,198</b>	<b>6,15,546</b>	<b>6,46,678</b>	<b>7,43,923</b>
YoY gr. (%)	15.1	21.9	17.3	10.9
Raw Material Expenses	3,41,760	3,94,575	4,19,719	4,90,653
Gross Profit	2,09,438	2,20,971	2,26,959	2,53,270
Margin (%)	38.0	35.9	35.1	34.0
<b>EBITDA</b>	<b>56,153</b>	<b>63,620</b>	<b>62,549</b>	<b>82,025</b>
YoY gr. (%)	15.3	24.3	8.6	13.4
Margin (%)	10.2	10.3	9.7	11.0
Depreciation / Depletion	9,979	10,238	10,470	10,524
<b>EBIT</b>	<b>46,174</b>	<b>53,382</b>	<b>52,079</b>	<b>71,501</b>
Margin (%)	8.4	8.7	8.1	9.6
Net Interest	8,614	8,844	8,427	7,459
Other Income	9,206	11,013	9,679	11,351
<b>Profit before Tax</b>	<b>46,767</b>	<b>55,551</b>	<b>53,330</b>	<b>80,140</b>
Margin (%)	8.5	9.0	8.2	10.8
Total Tax	12,365	14,423	13,320	18,806
Effective tax rate (%)	26.4	26.0	25.0	23.5
<b>Profit after Tax</b>	<b>34,401</b>	<b>41,128</b>	<b>40,010</b>	<b>61,334</b>
Minority interest	6,590	7,036	6,151	6,586
Share Profit from Associates	46	(140)	(271)	224
<b>Adjusted PAT</b>	<b>27,857</b>	<b>33,953</b>	<b>33,588</b>	<b>51,339</b>
YoY gr. (%)	11.7	20.1	14.0	18.8
Margin (%)	5.1	5.5	5.2	6.9
Extra Ord. Income / (Exp)	-	-	-	3,634
<b>Reported PAT</b>	<b>27,857</b>	<b>33,953</b>	<b>33,588</b>	<b>54,973</b>
YoY gr. (%)	11.7	5.4	14.0	25.0
Margin (%)	5.1	5.5	5.2	7.4
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>27,857</b>	<b>33,953</b>	<b>33,588</b>	<b>54,973</b>
Avg. Shares O/s (m)	1,375	1,375	1,375	1,375
<b>EPS (Rs)</b>	<b>20.3</b>	<b>24.7</b>	<b>24.4</b>	<b>37.3</b>

Source: Company Data, PL Research



**Price Chart**



**Recommendation History**

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Apr-25	BUY	3,920	3,161
2	31-Jan-25	BUY	4,025	3,421
3	09-Jan-25	BUY	4,088	3,596
4	31-Oct-24	BUY	4,088	3,408
5	07-Oct-24	BUY	4,130	3,494
6	25-Jul-24	BUY	4,130	3,519
7	08-Jul-24	BUY	4,047	3,627

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	BUY	6,955	5,064
2	Apar Industries	Accumulate	6,287	4,944
3	BEML	Accumulate	3,561	2,875
4	Bharat Electronics	BUY	340	281
5	BHEL	Accumulate	226	211
6	Carborundum Universal	Accumulate	1,052	950
7	Cummins India	BUY	3,309	2,746
8	Elgi Equipments	BUY	517	418
9	Engineers India	BUY	242	164
10	GE Vernova T&D India	Accumulate	1,950	1,304
11	Grindwell Norton	Accumulate	1,716	1,548
12	Harsha Engineers International	Accumulate	440	376
13	Hindustan Aeronautics	Accumulate	4,134	4,042
14	Ingersoll-Rand (India)	BUY	4,540	3,376
15	Kalpataru Projects International	BUY	1,105	876
16	KEC International	Accumulate	801	665
17	Kirloskar Pneumatic Company	BUY	1,636	1,230
18	Larsen & Toubro	BUY	3,920	3,161
19	Praj Industries	BUY	545	461
20	Siemens	Accumulate	3,233	2,763
21	Thermax	Accumulate	3,456	3,222
22	Triveni Turbine	BUY	744	488
23	Voltamp Transformers	BUY	10,285	8,195

**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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