PL Capital
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Q3FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	4,025		4,088	
Sales (Rs. m)	29,77,833	33,64,317	28,64,310	32,34,474
% Chng.	*4.0*	*4.0*		
EBITDA (Rs. m)	3,36,284	4,07,880	3,44,216	3,97,589
% Chng.	*(2.3)*	*2.6*		
EPS (Rs.)	143.0	179.1	146.7	174.0
% Chng.	*(2.5)*	*2.9*		

Key Financials - Consolidated

Y/e Mar	FY24	FY25E	FY26E	FY27E
Sales (Rs. bn)	2,211	2,596	2,978	3,364
EBITDA (Rs. bn)	235	268	336	408
Margin (%)	*10.6*	*10.3*	*11.3*	*12.1*
PAT (Rs. bn)	130	147	197	246
EPS (Rs.)	94.3	106.9	143.0	179.1
Gr. (%)	*25.5*	*13.4*	*33.7*	*25.2*
DPS (Rs.)	28.0	31.0	44.3	44.8
Yield (%)	*0.8*	*0.9*	*1.3*	*1.3*
RoE (%)	*14.8*	*15.8*	*18.0*	*19.1*
RoCE (%)	*9.7*	*10.9*	*13.1*	*14.7*
EV/Sales (x)	2.4	2.1	1.8	1.6
EV/EBITDA (x)	22.7	20.0	15.8	13.0
PE (x)	36.3	32.0	23.9	19.1
P/BV (x)	5.4	4.7	4.0	3.4

Key Data	LART.BO | LT IN
52-W High / Low	Rs.3,964 / Rs.3,175
Sensex / Nifty	76,760 / 23,250
Market Cap	Rs.4,704bn/ $ 54,306m
Shares Outstanding	1,375m
3M Avg. Daily Value	Rs.7154.11m

Shareholding Pattern (%)

Promoter's	-
Foreign	20.83
Domestic Institution	41.71
Public & Others	37.46
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(4.4)	(9.6)	(5.8)
Relative	(2.6)	(4.1)	(12.7)

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Larsen & Toubro (LT IN)

Rating: BUY | CMP: Rs3,421 | TP: Rs4,025

Stable Q3; strong intake aids growth visibility

Quick Pointers:

- Order prospects for Q4FY25 stands healthy at Rs5.51trn, down ~12% YoY primarily due to reduction in Energy prospects at Rs1.44trn vs (Rs1.71trn YoY).
- Higher mix of low margin Project & Manufacturing portfolio and lower margins in ITTS business impacted consol EBITDA margins while core margins remain stable.

We revise our FY26/27E EPS estimates by -2.5%/+2.9% factoring in a higher mix of P&M in revenue mix and pick up in core margins respectively. Larsen & Toubro (L&T) reported consol. revenue growth of 17.3% YoY, while EBITDA margin fell 77bps YoY to 9.7%. NWC to sales rose to 12.7% (vs 16.6% in Q3FY24) owing to better gross working capital to sales ratio and strong collections. L&T continues to demonstrate strong execution capabilities in international markets, while domestic execution is poised to gain momentum in Q4FY25. The company's opportunity pipeline remains robust, bolstered by prestigious order wins during the quarter, including a Thermal BTG order, a repeat order for the K9 Vajra, and an EPC contract for a gigascale solar power plant. Additionally, L&T's strategic foray into the semiconductor, data center, and green hydrogen sector will bolster its long term growth. Internationally, order prospects remain strong, particularly in the Middle East, driven by increased investments in oil & gas, carbon capture, renewable energy, and thermal power projects. Reinforcing its growth outlook, management has reiterated its confidence in surpassing its order intake and revenue guidance for FY25.

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 23.9x/19.1x on FY26/27E earnings. We maintain 'Buy' rating and roll forward to Sep'26 with a revised SoTP-derived TP of Rs4,025 (Rs4,088 earlier), valuing the core business at a P/E of 25x Sep'26E (26x FY26E earlier).

Robust execution in international business drives growth: Consolidated revenue rose 17.3% YoY to Rs646.7bn (PLe: Rs654.4bn) driven by strong execution in international business (+34.8% YoY to Rs327.6bn), particularly in Infrastructure and Energy projects. Meanwhile, domestic revenue inched up by 3.5% YoY to Rs319.0bn. EBITDA grew 8.6% YoY to Rs62.5bn (PLe: Rs67.1bn). EBITDA margin fell 77bps YoY at 9.7% (PLe: 10.3%), led by lower gross margin (-100bps YoY to 35.1%). P&M EBITDA/EBIT margin came in at 7.5%/6.4% (vs 7.5%/6.3% in Q3FY24). PAT rose 14.0% YoY to Rs33.6bn (PLe: Rs35.3bn) aided by healthy revenue growth, higher other income (up 15.5% YoY to Rs9.7bn), lower interest costs (down 6.8% YoY to Rs8.4bn) partially offset by higher D&A expenses (up 13.7% YoY to Rs10.5bn.

Strong order book of Rs5.6trn with robust inflows: Consol. order inflows came in at Rs1.16trn in Q3FY25, up 52.7% YoY driven by major orders in renewable & power T&D along with mega orders in both CarbonLite and Hydrocarbon businesses. Domestic/international order intake mix stood at 47%/53%. Order book stands at Rs5.6trn (2.3x TTM revenue), up 20.1% YoY, with 58%/42% domestic/export mix.

Exhibit 1: Healthy execution led to strong revenue growth. However, margins declined on account of unfavorable sales mix

Y/e March (Rs mn)	Q3FY25	Q3FY24	YoY gr.	Q3FY25E	% Var.	Q2FY25	QoQ gr.	9MFY25	9MFY24	YoY gr.
Revenue	**646,678**	**551,278**	**17.3%**	**654,360**	**-1.2%**	**615,546**	**5.1%**	**1,813,422**	**1,535,222**	**18.1%**
Gross Profit	226,959	198,984	14.1%	233,606	-2.8%	220,971	2.7%	657,367	578,346	13.7%
Margin (%)	*35.1*	*36.1*	*(100)*	*35.7*	*(60)*	*35.9*	*(80)*	*36.3*	*37.7*	*(142)*
Employee Cost	119,122	102,533	16.2%	118,439	0.6%	114,557	4.0%	344,114	304,415	13.0%
as % of sales	*18.4*	*18.6*	*(18)*	*18.1*	*32*	*18.6*	*(19)*	*19.0*	*19.8*	*(85)*
Other expenditure	28,855	24,465	17.9%	32,064	-10.0%	27,244	5.9%	84,643	73,496	15.2%
as % of sales	*4.5*	*4.4*	*2*	*4.9*	*(44)*	*4.4*	*4*	*4.7*	*4.8*	*(12)*
Finance cost of fin. serv. business	16,433	14,397	14.1%	16,000	2.7%	15,550	5.7%	46,288	42,959	7.8%
as % of sales	*2.5*	*2.6*	*(7)*	*2.4*	*10*	*2.5*	*1*	*2.6*	*2.8*	*(25)*
EBITDA	**62,549**	**57,590**	**8.6%**	**67,104**	**-6.8%**	**63,620**	**-1.7%**	**182,322**	**157,476**	**15.8%**
Margin (%)	*9.7*	*10.4*	*(77)*	*10.3*	*(58)*	*10.3*	*(66)*	*10.1*	*10.3*	*(20)*
Depreciation	10,470	9,208	13.7%	10,500	-0.3%	10,238	2.3%	30,688	26,611	15.3%
EBIT	**52,079**	**48,382**	**7.6%**	**56,604**	**-8.0%**	**53,382**	**-2.4%**	**151,634**	**130,865**	**15.9%**
Margin (%)	*8.1*	*8.8*	*(72)*	*8.7*	*(60)*	*8.7*	*(62)*	*8.4*	*8.5*	*(16)*
Other Income	9,679	8,378	15.5%	8,700	11.2%	11,013	-12.1%	29,898	31,163	-4.1%
Interest	8,427	9,042	-6.8%	8,850	-4.8%	8,844	-4.7%	25,885	26,195	-1.2%
PBT (ex. Extra-ordinaries)	**53,330**	**47,718**	**11.8%**	**56,454**	**-5.5%**	**55,551**	**-4.0%**	**155,648**	**135,833**	**14.6%**
Margin (%)	*8.2*	*8.7*	*(41)*	*8.6*	*(38)*	*9.0*	*(78)*	*8.6*	*8.8*	*(26)*
Extraordinary Items	-	-	-	-	-	-	-	-	5,120	-
PBT	**53,330**	**47,718**	**11.8%**	**56,454**	**-5.5%**	**55,551**	**-4.0%**	**155,648**	**140,953**	**10.4%**
Total Tax	13,320	11,773	13.1%	14,113	-5.6%	14,423	-7.6%	40,108	35,291	13.7%
Effective Tax Rate (%)	*25.0*	*24.7*	*30*	*25.0*	*(2)*	*26.0*	*(99)*	*25.8*	*25.0*	*73*
PAT before MI & JV	**40,010**	**35,945**	**11.3%**	**42,340**	**-5.5%**	**41,128**	**-2.7%**	**115,539**	**105,662**	**9.3%**
Reported PAT	**33,588**	**29,474**	**14.0%**	**35,320**	**-4.9%**	**33,953**	**-1.1%**	**95,398**	**86,630**	**10.1%**
Adj. PAT	**33,588**	**29,474**	**14.0%**	**35,320**	**-4.9%**	**33,953**	**-1.1%**	**95,398**	**81,510**	**17.0%**
Adj. EPS	**24.4**	**21.4**	**14.0%**	**25.7**	**-4.9%**	**24.7**	**-1.1%**	**69.4**	**59.3**	**17.0%**

Source: Company, PL

Exhibit 2: Strong execution in International Infrastructure and Energy projects drives healthy revenue growth

Segment Performance	Q3FY25	Q3FY24	YoY gr.	Q3FY25E	% Var.	Q2FY25	QoQ gr.	9MFY25	9MFY24	YoY gr.
Revenue (Rs mn)										
Infrastructure Projects	324,080	282,664	*14.7%*	360,102	*-10.0%*	323,523	*0.2%*	919,397	756,388	*21.6%*
Energy Projects	110,554	78,703	*40.5%*	89,037	*24.2%*	88,798	*24.5%*	284,356	213,550	*33.2%*
Hi-Tech Manufacturing	25,891	21,847	*18.5%*	24,215	*6.9%*	21,759	*19.0%*	66,847	61,941	*7.9%*
IT & Technology Services	122,189	113,260	*7.9%*	118,923	*2.7%*	119,606	*2.2%*	357,362	335,336	*6.6%*
Financial Services	38,813	34,067	*13.9%*	39,177	*-0.9%*	38,366	*1.2%*	113,819	95,104	*19.7%*
Development Projects	14,346	12,199	*17.6%*	12,565	*14.2%*	13,829	*3.7%*	41,448	38,574	*7.5%*
Others	18,874	17,418	*8.4%*	17,620	*7.1%*	17,925	*5.3%*	51,774	59,770	*-13.4%*
Total	**654,746**	**560,157**	***16.9%***	**661,638**	***-1.0%***	**623,807**	***5.0%***	**1,835,003**	**1,560,663**	***17.6%***
Less: Inter-segment revenue	8,068	8,879	*-9.1%*	7,278	*10.9%*	8,261	*-2.3%*	21,582	25,441	*-15.2%*
Net Revenue	**646,678**	**551,278**	***17.3%***	**654,360**	***-1.2%***	**615,546**	***5.1%***	**1,813,422**	**1,535,222**	***18.1%***
EBIT (Rs mn)										
Infrastructure Projects	14,148	12,054	*17.4%*	19,445	*-27.2%*	15,502	*-8.7%*	41,650	30,911	*34.7%*
Energy Projects	8,386	6,952	*20.6%*	7,568	*10.8%*	7,091	*18.3%*	22,169	18,400	*20.5%*
Hi-Tech Manufacturing	3,886	2,948	*31.8%*	2,785	*39.5%*	2,097	*85.3%*	8,652	7,830	*10.5%*
IT & Technology Services	18,338	19,708	*-7.0%*	20,693	*-11.4%*	20,798	*-11.8%*	58,251	57,895	*0.6%*
Financial Services	8,239	8,240	*0.0%*	9,794	*-15.9%*	9,395	*-12.3%*	26,858	23,344	*15.1%*
Development Projects	1,488	1,184	*25.6%*	1,319	*12.8%*	1,358	*9.6%*	4,319	3,635	*18.8%*
Others	4,245	3,453	*22.9%*	3,700	*14.7%*	3,837	*10.6%*	10,989	10,261	*7.1%*
Total	**58,730**	**54,539**	***7.7%***	**65,305**	***-10.1%***	**60,079**	***-2.2%***	**172,888**	**152,276**	***13.5%***
EBIT Margin (%)					***Var. bps***		***QoQ bps***			***YoY bps***
Infrastructure Projects	4.4	4.3	*10*	5.4	*-103*	4.8	*-43*	4.5	4.1	*44*
Energy Projects	7.6	8.8	*-125*	8.5	*-91*	8.0	*-40*	7.8	8.6	*-82*
Hi-Tech Manufacturing	15.0	13.5	*152*	11.5	*351*	9.6	*537*	12.9	12.6	*30*
IT & Technology Services	15.0	17.4	*-239*	17.4	*-239*	17.4	*-238*	16.3	17.3	*-96*
Financial Services	21.2	24.2	*-296*	25.0	*-377*	24.5	*-326*	23.6	24.5	*-95*
Development Projects	10.4	9.7	*66*	10.5	*-13*	9.8	*55*	10.4	9.4	*100*
Others	22.5	19.8	*267*	21.0	*149*	21.4	*108*	21.2	17.2	*406*

Source: Company, PL

Exhibit 3: SOTP Valuation – Core business accounts for ~67% 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	147,744	P/E	25	100	3,693,606	2,686	26x FY26 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	111,195	81	1.5x equity investment
Other Businesses	46,262	P/B	1	100	46,262	34	1x equity investment
Total						**2,817**	
Subsidiaries							
L&T Finance	422,231	Target Mcap		66	278,082	202	Target Mcap
LTI Mindtree	1,863,497	Target Mcap		69	1,278,359	930	Target Mcap
L&T Technology Services	538,415	Target Mcap		74	397,028	289	Target Mcap
Total Subsidiaries				15% holding co. disc.	1,660,448	1,208	
Grand Total						**4,025**	

Source: Company, PL

Conference Call Highlights

- **Maintained FY25 guidance** of ~10% order inflow growth, ~15% revenue growth, P&M EBITDA margin of 8-8.25%, and ~15% NWC to sales ratio. Management is confident of surpassing their order intake and revenue guidance for FY25 driven by expected pickup in domestic ordering activity and execution of robust order book.

- **Order prospects for Q4FY25** stand at Rs5.51trn vs Rs6.26trn YoY primarily due to lower hydrocarbon and carbonlite prospects. Total order prospects comprise of Infrastructure (Rs4.0trn vs Rs4.1trn YoY), Hydrocarbon (Rs1.44trn vs Rs1.7trn YoY), and Hi-Tech Manufacturing (Rs0.06trn vs Rs0.16trn YoY).

- **Project & Manufacturing** net revenue grew 19.7% YoY to Rs479.4bn in Q3FY25 led by strong execution across P&M portfolio. EBITDA margin came in at 6.4% vs 6.3% in Q3FY24. Order inflow was up 64.3% YoY to Rs986.6bn aided by receipt of major orders in Renewable and Power T&D along with mega orders in both CarbonLite & Hydrocarbon businesses. International orders accounted for ~52% of inflow (vs ~28% in Q3FY24). Orders came from sectors like Thermal Power, Renewable, Power Transmission, Precision Engineering, Minerals & Metals, Water, Commercial Buildings and Hydrocarbon Onshore.

- **Order book (OB) stands at Rs5.64trn** with domestic share of 58% (Rs3.3trn) and international share of 42% (Rs2.4trn). ~15% of the order book is funded by bilateral & multilateral agencies. No orders were deleted in Q3FY25. Slow-moving orders constitute 0.5% of the order book.

  - **International OB** comprises of Middle East (83%) and RoW (17%). Middle East remains focused on investments in oil & gas, infrastructure, industrialization and energy transition.

  - **Domestic OB** comprises of Central Govt (15%), State Govts (26%), PSUs (36%) and private players (20%).

- **NWC to sales ratio** saw a ~390bps YoY improvement to 12.7% mainly due to improvement in the gross working capital to sales ratio backed by prompt collections from customers. Group level collections (ex-financial services) in Q3FY25 came in at Rs591bn vs Rs494bn in Q3FY24.

- **Infrastructure Projects:** Robust execution of a large international order book drove revenue growth. Q3FY25 order inflow came in at Rs491bn (vs Rs432bn in Q3FY24) led by 33.4% increase in the international order intake. Orders primarily came from renewables, T&D, minerals & metals, B&F, transport, and heavy civil infra. Order prospects for Q4FY25 is Rs4.0trn (domestic: Rs3.15trn; international: Rs0.85trn) vs Rs4.1rn YoY, comprise of Transportation Infra – 35%, Minerals & Metals – 6%, Buildings & Factories – 14%, Water & Effluent Treatment – 18%, Power T&D – 6%, Renewables – 3%, and Heavy Civil Infra – 18%. EBITDA margin improved and remained flattish at 4.4%.

- **Energy Projects (Hydrocarbon & Carbon Lite Solutions):** Order intake came in at Rs388.2bn vs Rs132.8bn in Q3FY24 primarily aided by receipt of 2 ultra super critical thermal power plant orders in CarbonLite solutions while Hydrocarbon benefitted from a mega international onshore order. Order prospects stand at Rs1.44trn vs rs1.71trn in Q4FY24 comprising entirely of hydrocarbon. Order book stands at Rs1.46trn with a domestic/international mix of 34%/66%. Hydrocarbon order book stands at Rs1.1trn while CarbonLite order book stands at Rs0.27trn. Revenue growth of 40.5% YoY was primarily attributed to execution ramp up in international projects while 90bps contraction in EBITDA margin was due to negative variation of hydrocarbon portfolio partially offset by favorable settlement in CarbonLite.

- **Hi-Tech Manufacturing (Precision & Heavy Engineering):** Order inflow for the quarter came in at Rs84.2bn vs Rs20.4bn in Q3FY24 led by key repeat order of K9 Vajra-T worth ~Rs65bn in defense engineering. Order prospects stand at Rs65bn (vs ~Rs160bn YoY). Strong execution momentum continued in Precision Engineering, while Heavy Engineering revenue was impacted jobs in early stages. EBIT margin improved by 152bps YoY to 15.0% drive by execution cost savingsin heavy engineering business.

- **Development Projects (Hyderabad Metro & Nabha Power):** Nabha power contributed most of the revenue driven by improved PLF and higher energy charges. Average ridership per day in Hyderabad Metro stood at 4.45 lakh vs 4.68 lakh in Q2FY25. Sequential decline in average daily ridership was due to festive season holidays. Metro reported a loss of Rs2.03bn in Q3FY25 vs Rs2.45bn in Q3FY24. Improvement was largely due to lower interest costs due to reduction in debt. Cumulative loan support received till last year was Rs9.0bn and management expects the balance Rs21.0bn in near future. TOD monetization will enable company to reduce 3rd party debt levels in Metro which is currently Rs126bn to Rs90bn resulting in further reduction in interest expenses.

- **Middle East continues to remain a focus international market:** Company continue to see good pipeline in Middle East despite some slowdown in non-priority projects. L&T's focus areas such as carbon capture and oil & gas continue to gain traction. The working capital requirements are also favorable where 2-5% of the contracts are linked to milestones. L&T is generally running on a positive cash flow. In certain infrastructure and hydrocarbon businesses there is Chinese competition however company continues to remain selective on order booking.

- **E2E Networks acquisition:** L&T acquired 15% stake via preferential allotment in E2E networks during the quarter and expects to acquire a further 6% stake from the promoter on or before May 2025. L&T will leverage E2E's cloud and AI cloud offerings and integrate it with its data center offerings. The collaboration aims to accelerate digital transformation for a diverse range of industries, fostering a technology-driven, sustainable future for India.

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Net Revenues	**22,11,129**	**25,95,655**	**29,77,833**	**33,64,317**
YoY gr. (%)	*20.6*	*17.4*	*14.7*	*13.0*
Cost of Goods Sold	8,07,731	9,27,427	10,36,286	11,47,232
Gross Profit	14,03,398	16,68,227	19,41,547	22,17,085
Margin (%)	*63.5*	*64.3*	*65.2*	*65.9*
Employee Cost	4,11,710	4,65,644	5,16,865	5,71,136
Other Expenses	2,44,865	2,88,118	3,26,073	3,73,439
EBITDA	**2,34,937**	**2,68,147**	**3,36,284**	**4,07,880**
YoY gr. (%)	*13.2*	*14.1*	*25.4*	*21.3*
Margin (%)	*10.6*	*10.3*	*11.3*	*12.1*
Depreciation and Amortization	36,823	40,993	42,089	46,049
EBIT	**1,98,113**	**2,27,154**	**2,94,195**	**3,61,831**
Margin (%)	*9.0*	*8.8*	*9.9*	*10.8*
Net Interest	35,459	34,315	31,133	31,413
Other Income	41,580	41,530	44,667	48,783
Profit Before Tax	**2,05,171**	**2,34,370**	**3,07,730**	**3,79,201**
Margin (%)	*9.3*	*9.0*	*10.3*	*11.3*
Total Tax	49,474	60,467	81,548	1,00,488
Effective tax rate (%)	*24.1*	*25.8*	*26.5*	*26.5*
Profit after tax	**1,55,697**	**1,73,902**	**2,26,182**	**2,78,713**
Minority interest	24,880	26,621	29,284	32,212
Share Profit from Associate	226	249	274	301
Adjusted PAT	**1,29,655**	**1,47,032**	**1,96,624**	**2,46,200**
YoY gr. (%)	*25.5*	*13.4*	*33.7*	*25.2*
Margin (%)	*5.9*	*5.7*	*6.6*	*7.3*
Extra Ord. Income / (Exp)	936	-	-	-
Reported PAT	**1,30,591**	**1,47,032**	**1,96,624**	**2,46,200**
YoY gr. (%)	*24.7*	*12.6*	*33.7*	*25.2*
Margin (%)	*5.9*	*5.7*	*6.6*	*7.3*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,30,591	1,47,032	1,96,624	2,46,200
Equity Shares O/s (m)	**1,375**	**1,375**	**1,375**	**1,375**
EPS (Rs)	**94.3**	**106.9**	**143.0**	**179.1**

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Non-Current Assets				
Gross Block	**5,35,084**	**5,70,084**	**5,95,084**	**6,25,084**
Tangibles	2,58,856	2,93,856	3,18,856	3,48,856
Intangibles	2,76,228	2,76,228	2,76,228	2,76,228
Acc: Dep / Amortization	**1,25,880**	**1,66,873**	**2,08,962**	**2,55,011**
Tangibles	1,25,880	1,66,873	2,08,962	2,55,011
Intangibles	-	-	-	-
Net fixed assets	**4,09,204**	**4,03,211**	**3,86,122**	**3,70,073**
Tangibles	1,32,976	1,26,983	1,09,894	93,845
Intangibles	2,76,228	2,76,228	2,76,228	2,76,228
Capital Work In Progress	28,970	28,970	28,970	28,970
Goodwill	-	-	-	-
Non-Current Investments	6,74,639	7,40,981	8,67,067	9,97,293
Net Deferred tax assets	33,301	33,301	33,301	33,301
Other Non-Current Assets	64,023	72,678	83,379	90,837
Current Assets				
Investments	3,49,576	3,59,576	3,95,534	3,95,534
Inventories	66,202	92,448	97,901	1,10,608
Trade receivables	4,87,710	5,68,911	6,52,676	7,37,385
Cash & Bank Balance	1,53,584	1,42,304	1,53,249	1,73,935
Other Current Assets	7,18,877	7,78,696	8,33,793	9,42,009
Total Assets	**33,57,635**	**37,14,695**	**40,94,259**	**45,02,685**
Equity				
Equity Share Capital	2,749	2,749	2,749	2,749
Other Equity	8,60,843	9,96,245	11,79,788	13,97,547
Total Networth	**8,63,592**	**9,98,995**	**11,82,537**	**14,00,296**
Non-Current Liabilities				
Long Term borrowings	8,62,055	8,62,055	8,62,055	5,65,070
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	2,78,343	2,93,343	3,08,343	6,20,328
Trade payables	5,32,929	6,40,024	7,34,260	8,29,558
Other current liabilities	6,92,113	7,91,675	8,78,461	9,58,830
Total Equity & Liabilities	**33,57,635**	**37,14,695**	**40,94,259**	**45,02,685**

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
PBT	2,04,235	2,34,370	3,07,730	3,79,201
Add. Depreciation	36,823	40,993	42,089	46,049
Add. Interest	35,459	34,315	31,133	31,413
Less Financial Other Income	41,580	41,530	44,667	48,783
Add. Other	(27,203)	-	-	-
Op. profit before WC changes	2,49,314	3,09,678	3,80,952	4,56,663
Net Changes-WC	(13,851)	(88,001)	(1,22,519)	(1,61,850)
Direct tax	(52,801)	(60,467)	(81,548)	(1,00,488)
Net cash from Op. activities	**1,82,663**	**1,61,210**	**1,76,885**	**1,94,325**
Capital expenditures	(90,999)	(35,000)	(25,000)	(30,000)
Interest / Dividend Income	26,342	-	-	-
Others	86,287	(79,674)	(82,168)	(66,272)
Net Cash from Invt. activities	**21,630**	**(1,14,674)**	**(1,07,168)**	**(96,272)**
Issue of share cap. / premium	97	-	-	-
Debt changes	(41,024)	15,000	15,000	15,000
Dividend paid	(42,170)	(38,500)	(42,639)	(60,954)
Interest paid	(36,055)	(34,315)	(31,133)	(31,413)
Others	(12,025)	-	-	-
Net cash from Fin. activities	**(1,31,176)**	**(57,815)**	**(58,772)**	**(77,367)**
Net change in cash	**73,117**	**(11,280)**	**10,944**	**20,686**
Free Cash Flow	1,37,498	1,26,210	1,51,885	1,64,325

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25E	FY26E	FY27E
Per Share(Rs)				
EPS	94.3	106.9	143.0	179.1
CEPS	121.1	136.7	173.6	212.5
BVPS	628.1	726.5	860.0	1,018.4
FCF	100.0	91.8	110.5	119.5
DPS	28.0	31.0	44.3	44.8
Return Ratio(%)				
RoCE	9.7	10.9	13.1	14.7
ROIC	9.8	10.7	12.7	14.0
RoE	14.8	15.8	18.0	19.1
Balance Sheet				
Net Debt : Equity (x)	0.7	0.7	0.5	0.4
Net Working Capital (Days)	3	3	2	2
Valuation(x)				
PER	36.3	32.0	23.9	19.1
P/B	5.4	4.7	4.0	3.4
P/CEPS	121.1	136.7	173.6	212.5
EV/EBITDA	22.7	20.0	15.8	13.0
EV/Sales	2.4	2.1	1.8	1.6
Dividend Yield (%)	0.8	0.9	1.3	1.3

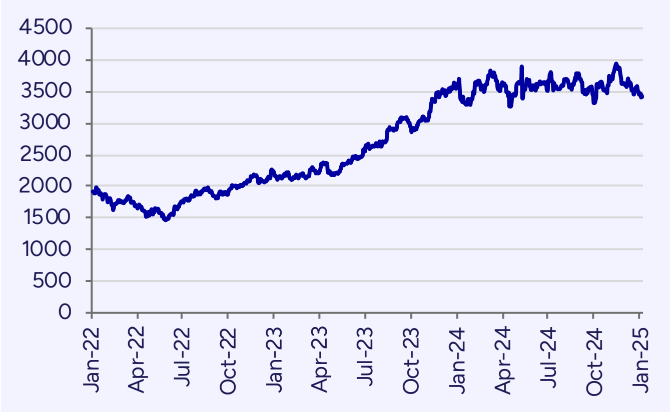
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Net Revenue	**6,70,787**	**5,51,198**	**6,15,546**	**6,46,678**
YoY gr. (%)	*15.0*	*15.1*	*21.9*	*17.3*
Raw Material Expenses	4,46,263	3,41,760	3,94,575	4,19,719
Gross Profit	2,24,524	2,09,438	2,20,971	2,26,959
Margin (%)	*33.5*	*38.0*	*35.9*	*35.1*
EBITDA	**72,340**	**56,153**	**63,620**	**62,549**
YoY gr. (%)	*5.9*	*15.3*	*24.3*	*8.6*
Margin (%)	*10.8*	*10.2*	*10.3*	*9.7*
Depreciation / Depletion	10,212	9,979	10,238	10,470
EBIT	**62,128**	**46,174**	**53,382**	**52,079**
Margin (%)	*9.3*	*8.4*	*8.7*	*8.1*
Net Interest	9,263	8,614	8,844	8,427
Other Income	10,417	9,206	11,013	9,679
Profit before Tax	**64,218**	**46,767**	**55,551**	**53,330**
Margin (%)	*9.6*	*8.5*	*9.0*	*8.2*
Total Tax	14,183	12,365	14,423	13,320
Effective tax rate (%)	*22.1*	*26.4*	*26.0*	*25.0*
Profit after Tax	**50,035**	**34,401**	**41,128**	**40,010**
Minority interest	6,171	6,590	7,036	6,151
Share Profit from Associates	96	46	(140)	(271)
Adjusted PAT	**43,232**	**27,857**	**33,953**	**33,588**
YoY gr. (%)	*8.4*	*11.7*	*20.1*	*14.0*
Margin (%)	*6.4*	*5.1*	*5.5*	*5.2*
Extra Ord. Income / (Exp)	729	-	-	-
Reported PAT	**43,961**	**27,857**	**33,953**	**33,588**
YoY gr. (%)	*10.3*	*11.7*	*5.4*	*14.0*
Margin (%)	*6.6*	*5.1*	*5.5*	*5.2*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**43,961**	**27,857**	**33,953**	**33,588**
Avg. Shares O/s (m)	1,375	1,375	1,375	1,375
EPS (Rs)	**31.4**	**20.3**	**24.7**	**24.4**

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Jan-25	BUY	4,088	3,596
2	31-Oct-24	BUY	4,088	3,408
3	07-Oct-24	BUY	4,130	3,494
4	25-Jul-24	BUY	4,130	3,519
5	08-Jul-24	BUY	4,047	3,627
6	09-May-24	BUY	4,047	3,487
7	12-Apr-24	BUY	4,071	3,753

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	Accumulate	8,133	6,657
2	Apar Industries	Accumulate	8,219	7,179
3	BEML	Accumulate	4,332	3,733
4	Bharat Electronics	BUY	341	282
5	BHEL	Accumulate	226	200
6	Carborundum Universal	Accumulate	1,583	1,245
7	Cummins India	Accumulate	4,139	3,164
8	Elgi Equipments	Accumulate	607	548
9	Engineers India	BUY	247	182
10	GE Vernova T&D India	Accumulate	1,962	1,991
11	Grindwell Norton	BUY	2,511	1,850
12	Harsha Engineers International	Accumulate	561	493
13	Hindustan Aeronautics	Accumulate	4,692	4,110
14	Ingersoll-Rand (India)	BUY	4,467	3,800
15	Kalpataru Projects International	Accumulate	1,306	1,245
16	KEC International	Hold	997	1,049
17	Kirloskar Pneumatic Company	BUY	1,564	1,013
18	Larsen & Toubro	BUY	4,088	3,596
19	Praj Industries	BUY	804	800
20	Siemens	Accumulate	7,716	6,297
21	Thermax	Reduce	4,275	3,982
22	Triveni Turbine	BUY	800	739
23	Voltamp Transformers	BUY	12,531	9,682

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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