

# Larsen & Toubro

BSE SENSEX

81,716

S&P CNX

25,057



Bloomberg	LT IN
Equity Shares (m)	1376
M.Cap.(INRb)/(USDb)	5053.4 / 57
52-Week Range (INR)	3964 / 2965
1, 6, 12 Rel. Per (%)	1/0/0
12M Avg Val (INR M)	7328

## Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Net Sales	2,967.9	3,410.0	3,910.3
EBITDA	310.8	360.1	415.0
PAT	179.4	213.2	254.3
EPS (INR)	130.5	155.1	185.0
GR. (%)	22.2	18.9	19.3
BV/Sh (INR)	800.3	907.2	1,034.7

## Ratios

ROE (%)	17.3	18.2	19.1
RoCE (%)	9.7	10.4	11.2
Payout (%)	31.1	31.1	31.1

## Valuations

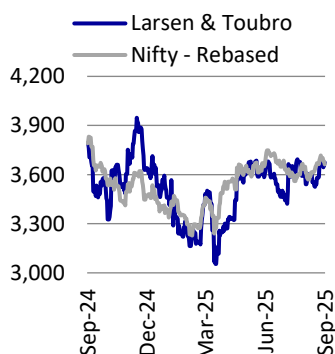
P/E (X)	28.2	23.7	19.9
P/BV (X)	4.6	4.0	3.6
EV/EBITDA (X)	16.3	14.0	12.2
Div Yield (%)	1.1	1.3	1.6

## Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	0.0	0.0	0.0
DII	43.2	42.5	38.7
FII	20.2	20.7	23.9
Others	36.5	36.8	37.4

FII Includes depository receipts

## Stock performance (one-year)



**CMP:INR3,674**

**TP: INR4,300 (+17%)**

**Buy**

## Execution momentum to continue

Our recent meeting with LT reinforces our thesis that execution growth will remain strong for the company over the next few years, driven by a strong order book. The company is selectively eyeing projects from domestic markets and expects international ordering to keep supporting growth. Though lower oil prices can impact decision-making in international projects in the near term, LT's focus on gas, renewable and maintenance capex of existing oil fields will keep driving the inflows. LT is also focusing on next phase of Lakshya for FY26-31 and while remaining focused on EPC, company is focusing on growing these four new businesses which were seeded during Lakshya 2026 – real estate, semiconductor, green energy and data centre and will grow these in future. We maintain our estimates for LT and reiterate our BUY rating with an SoTP-based TP of INR4,300, valuing core E&C at 28x Sep'27E EPS.

## Strong order book to sustain execution growth

LT has an order book of INR6.1t as of 1QFY26. Core E&C revenue growth over the last three years and in 1QFY26 was largely driven by international projects, and we expect a similar trend to continue in the future too, as execution is ramping up across mega projects in the Middle East. We expect that strong execution growth in international projects will more than compensate for weaker growth in domestic revenue. We bake in core E&C revenue growth of 17%/15%/15% for FY26/27/28E.

## Opportunities from domestic and international

LT's international order inflows have more than compensated for the flat trend in domestic inflows. With an overall prospect pipeline of INR15t for the remaining fiscal, the company is eyeing projects across thermal, nuclear, hydroelectric, renewable, urban infra, buildings and factories, state irrigation projects and defense in the domestic segment and gas, renewable and maintenance capex of existing oil fields in the international segment. The recent order inflows of INR230b in thermal from Adani, a significant order in nuclear from NPCIL, and other large orders in power T&D, heavy civil, high speed rail, renewable, and metals and minerals indicate momentum in these segments in domestic markets. International inflows so far in 1H FY26 have come from hydrocarbon, gas and power T&D.

## Defense segment to grow at a faster pace

LT's defense vertical is housed in the hi-tech manufacturing segment and has a prospect pipeline of INR215b. The company focuses on Naval systems, weapon systems, engineering and ground systems and sensors and communications. LT is eyeing projects across platforms and is collaborating with technology start-ups to strengthen its portfolio. LT has also entered into a strategic partnership with BEL to respond to the EoI issued for the AMCA project. L&T will bring its expertise in aerospace structures and systems integration, while BEL will contribute for avionics and defence electronics. During FY23-25, LT's defense order inflows stood at INR121b/INR103b/INR133b and the revenue CAGR stood at 36%. This segment, though still small, is expected to grow much faster than the core E&C division.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

### Prospect pipeline and win rate remain strong

The company has a prospect pipeline of INR15t spread across international (INR9t) and domestic (INR6t), and this pipeline has seen some adjustments after 4QFY25 due to the deferment of some prospects in international markets and some water-related projects in domestic markets. However, with a win rate of 18-20% in the prospect pipeline, the company can target inflows of INR3-3.2t, translating into 10% YoY growth in total inflows in FY26. LT's win rate in thermal power projects is much higher than its overall business as it is largely a two-player market. Its win rate is also higher in defense as the company works with clients for specific requirements in defense tendering.

### Future focus areas of growth beyond core E&C

- **Real Estate:** In the Realty business, the company is primarily focusing on Tier-1 cities and has been actively scaling up its presence through a mix of land acquisitions and joint development projects. The company has around 75mn sq ft under development (launched + to be launched) and it intends to maintain a ratio of 25% for commercial and 75% for residential going forward. LT is scaling up its operations in this segment and plans to consider its IPO by FY27 end or early FY28.
- **Green Hydrogen:** L&T Energy GreenTech (LTEG) recently secured a major order from IOCL to set up India's largest green hydrogen plant at Panipat, with a capacity of 10,000 TPA, supported by in-house electrolyser manufacturing at Hazira. With potential export opportunities, LT intends to expand its electrolyser manufacturing facility at Hazira to 1 GW from the current capacity of 400 MW. The company has also partnered with Japan's ITOCHU to develop a 300 KTPA green ammonia project at Kandla and announced plans for an even larger 1.8 MTPA facility at Paradip.
- **Semiconductor:** In semiconductors, LT is primarily into the designing of analog semiconductors, which is mainly for industrial applications. The company acquired a 100% stake in SiliConch Systems to strengthen its presence in fabless semiconductors. Further, the company has allocated USD100m for this segment.
- **Data centers:** The company has acquired a stake in E2E Networks to strengthen its entry into the data center business, with a focus on accelerating cloud and AI-led innovations for Indian enterprises. Till date, it has commissioned 32 MW of data center capacity and aims to scale this up to 100 MW over the years. Importantly, the company intends to operate and manage these assets in-house, with no plans for divestment.

### Financial outlook

We expect a CAGR of 11% in core EPC order inflows over FY25-28. With a strong track record of execution, we expect a 16% CAGR in core EPC revenue over the same period, with core EPC margin assumption of 8.5-8.8% for FY26-FY28. We thus expect a CAGR of 18%/21% in core EBITDA/PAT over FY25-28.

### Valuation and view

At the current price, LT is trading at 29x/24x/20x P/E on FY26/27/28E earnings of core E&C. We maintain our estimates for core E&C and continue to value the company at 28x P/E two-year forward earnings for core business and a 25% holding company discount for subsidiaries. We maintain BUY with a revised TP of INR4,300, rolling forward to Sep'27E EPS (INR4,200 earlier).

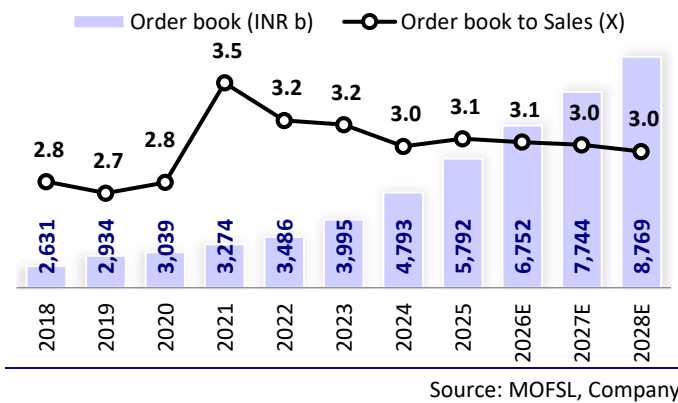
### Key risks and concerns

A slowdown in order inflows, geopolitical issues, delays in the completion of mega and ultra-mega projects, a sharp rise in commodity prices, an increase in working capital, and increased competition are a few downside risks to our estimates.

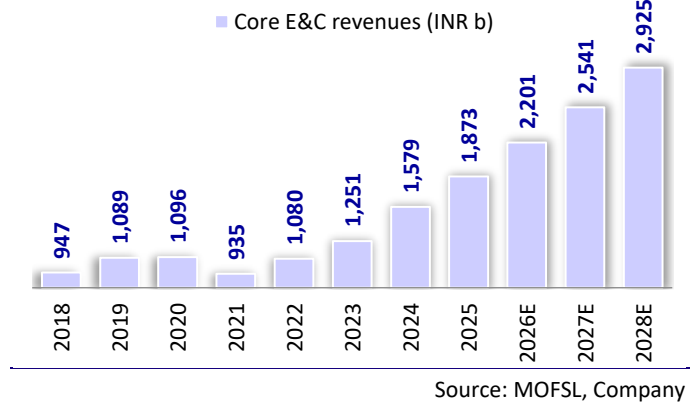
## Order book and inflows to sustain strong revenue growth

Core E&C revenue growth over the last three years and in 1QFY26 was largely driven by international projects, and we expect a similar trend to continue in future too, as execution is ramping up across mega projects in the Middle East. We expect that strong execution growth in international projects will more than compensate for weaker growth in domestic revenue.

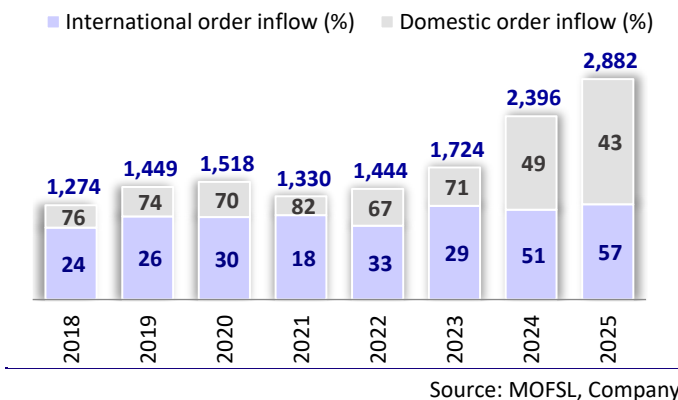
**Exhibit 1: Core E&C order book to grow at a CAGR of 15% over FY25-28**



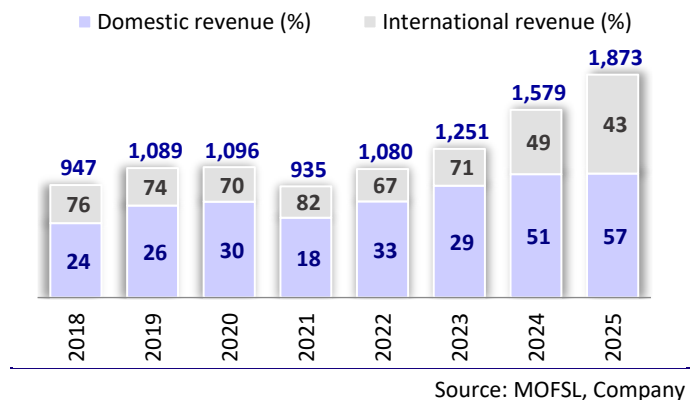
**Exhibit 2: Core E&C revenue to clock a CAGR of 16% over FY25-28**



**Exhibit 3: Share of international orders in total inflows has moved up (% INR b)**



**Exhibit 4: Similar trend was seen in higher share of international in total revenue (% INR b)**



**Exhibit 5: Order inflows announced YTD include two ultra-mega orders for its energy and hydrocarbon business**

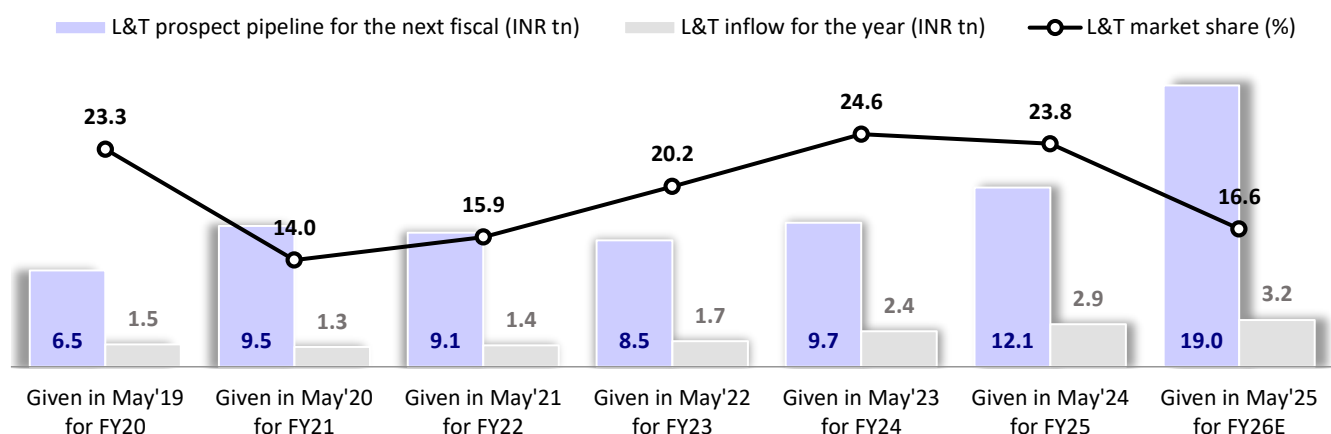
Date	Order description	Segment	Region	Customer	Tentative order size (INR b)
19-Sep-25	Its Construction Equipment (CE) business has received long-term aftersales support orders from major coal and cement producers for the supply of Komatsu mining equipment. The Rubber Processing Machinery (RPM) business of CE & IPDD has won multiple orders from leading tyre manufacturers in India. L&T Valves has secured multiple orders for polyvinyl chloride (PVC) and chlorinated polyvinyl chloride (CPVC) projects from major domestic companies.	Others	Domestic		10-25
17-Sep-25	In India, the order pertains to revamping power distribution with SCADA and smart technology integration in two towns. In UAE, the order pertains to design, delivery and construction of two ±300 MVar STATCOM systems. In Oman, for establishing a 400/132 kV grid station, along with associated 400 kV transmission line segment.	Power T&D	Domestic International International		25-50
16-Sep-25	2x1000 Mwe Kudankulam nuclear power projects (KKNPP - 5 & 6) in Tamil Nadu.	Heavy Civil	Domestic	NPCIL	10-25
15-Sep-25	To construct 156 Route Km (RKM) of high-speed ballast less track (Package T1) for the Mumbai-Ahmedabad High Speed Rail (MAHSR) Corridor.	Heavy Civil	Domestic	NHSRCL	25-50
11-Aug-25	To set up eight state-of-the-art thermal power units, each with a capacity of 800 MW, totaling 6,400 MW of new generation capacity	Energy	Domestic	Adani Power	230
04-Aug-25	To develop a grid-connected 116 MWac Solar Photovoltaic (PV) plant integrated with a 241 MWh Battery Energy Storage System (BESS)	Renewables	Domestic		10-25
01-Aug-25	The scope encompasses design and engineering, procurement, complete site services including installation and commissioning of Calcine Storage, Leaching, Purification, and Electro-winning (Jumbo Cell House) plant.	Minerals & Metals	Domestic	Hindustan Zinc Limited	25-50
29-Jul-25	The order encompasses multiple offshore packages, and the scope includes engineering, procurement, construction and installation of offshore structures, along with the upgradation of existing facilities.	Hydrocarbon	International		>150
24-Jul-25	Construction of two towers on basement + ground + 39 floors configuration including an amenities-building. Construction of 21 residential towers, with the scope encompassing construction of RCC shell and core, architectural finishes, electrical, plumbing and sanitary fixtures, etc.	B&F	Domestic Domestic	Andhra Pradesh Capital Region Development Authority	25-50
10-Jun-25	In India, it has won an order to build 765kV and 400kV transmission line jobs pertaining to the integration of a Renewable Energy Zone in Andhra Pradesh. In the Middle East, the business has received orders to execute a set of 220kV and 132kV Gas Insulated Substations on turnkey basis.	Power T&D	Domestic International		50-100
09-Jun-25	Execution of Bhavali Pumped Storage Project (PSP) in the state of Maharashtra	Heavy Civil	Domestic	JSW Energy	10-25
03-Jun-25	EPC order for the Rajasthan Rural Water Supply and Fluorosis Mitigation Project – Phase II, Package-1 To strengthening and rehabilitation of the water supply system on the Kekri-Sarwar sector in Ajmer district.	Water	Domestic		10-25
01-Apr-25	Setting up a 765kV Gas Insulated Substation (GIS) in western India and another order for the turnkey construction of a transmission line associated with evacuation of power in the same region. In Saudi Arabia, the vertical has received orders for setting up two 380kV overhead lines. Turnkey orders for construction, supply, installation, testing and commissioning of two 132/11kV GIS in the UAE and for a 132kV GIS in Qatar. Further to this, additional orders have been received in ongoing projects in India and Oman.	Power T&D	Domestic International Both		25-50

Source: Company, MOFSL

## Prospect pipeline remains strong

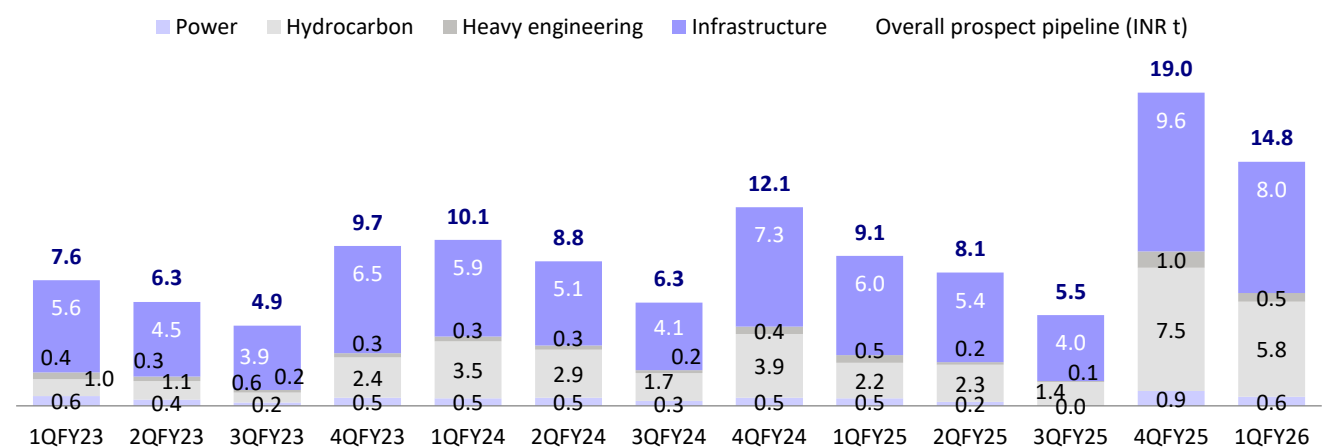
The company's prospect pipeline is strong, and we expect LT to maintain a win rate of 18-20% going forward. LT's prospect pipeline has seen some adjustments after 4QFY25 due to the deferment of some prospects in international markets and some water-related projects in domestic markets. However, with a win rate of 18-20% in the prospect pipeline of INR15t, the company can target inflows of INR3-3.2t, translating into 10% YoY growth in total inflows in FY26.

**Exhibit 6: LT's prospect pipeline announced at the beginning of the year vs. LT's actual share during the year**



Source: Company, MOFSL

**Exhibit 7: Strong prospect pipeline of INR15t of LT for the remaining nine months led by infra and power segments (INR t)**



Source: Company, MOFSL

## Defense segment to benefit from strong pipeline

LT is well poised to leverage the government's Aatmanirbharta push across shipbuilding, artillery equipment, combat engineering equipment, electronic, etc. Additionally, a tender for four large-sized warships and landing platform docks (LPDs) worth ~INR800b is expected to be announced shortly, in which LT is likely to participate. Management indicated that the defense pipeline remains strong, with a better strike rate than that of E&C contracts.

**Exhibit 8: MoD has released a list of items under TPCR 2025 — a 15-year plan detailing long-term modernization and indigenization of several items. LT could participate in several systems, sub-systems or components as listed below**

Programs/Projects	Approx. Quantity
<b>Indian Army</b>	
<b>Armored Fighting Vehicles Systems</b>	
Active Protection System (APS) for Tank T-90 S/SK	800-850
Armour Protection	3000-3500
Future Ready Combat Vehicle (FRCV)	1700-1800
Light Tanks	300-400
Improved Ordnance & Recoil System	1500-1700
Situational Awareness System for Mechanized Forces	3500-4000
Power Pack for Infantry Combat Vehicles (ICV)	2000-2200
<b>Remotely Piloted Aircraft and Systems</b>	
Stealth RPAs	55-70
Special Optical Payload	20-30
Integrated Surveillance and Targeting System (ISAT-S) for Mechanized Forces	700-800
Unmanned Aerial Vehicle Launched Precision Guided Missiles (ULPGMs)	350-400
<b>Missiles and Systems</b>	
Air to Air Missile System for Helicopter	500-550
4th / 5th Generation ATGM	20,000-50,000
ATGM (Tank)	20,000-50,000
<b>Indian Navy</b>	
<b>Missiles and Systems</b>	
Anti-ship Missile System (ASMS)	50-70
Cruise Missile System	100-120
<b>Ammunition</b>	
Torpedo Defence System (TDS)	20-25
<b>Warships and Vessels</b>	
Next Generation Corvette	8-10
Next Generation Landing Craft (LCU)	8-10
Mine Counter Measure Vessels (MCMV)	12
Fleet Support Vessels	5-7
Diving Support Vessels	2
Multi-purpose vessel	1
<b>Submarines and Systems</b>	
Next Generation Submarine	6-8
<b>Sensors</b>	
Shipborne Direction Finding System (DF)	15-20
Submarine Sonar Suites	2-4
Air Surveillance Radar	15-20
<b>Other Systems</b>	
Combat Management Software (CMS) including Aircraft Control and Air Direction (ACAD)	1
Command and Control Systems	30-40
Integrated Platform Management System (IPMS)	15-20
<b>Indian Airforce</b>	
<b>Remotely Piloted Aircraft and Systems</b>	
High Altitude Long Endurance (HALE) UAVs	10-15
Stealth RPAs	55-70
<b>Weapons and Systems</b>	
Air to Surface Missile System	50-60
Anti-Radiation Missiles	20-30
<b>Other Systems</b>	
Airborne Early Warning and Control Systems (AWACS)	10-15
Air Defence Systems	8-10

Source: TPCR 2025, MOFSL

## Next phase of Lakshya on cards




LT is also focusing on the next phase of Lakshya for FY26-31 and while remaining focused on EPC, LT is focusing on growing these four new businesses – real estate, semiconductor, green energy and data center, which were seeded during Lakshya 2026.

**Exhibit 9: Current capabilities of LT in the said four segments and its future targets**

	Real Estate	Green Energy	Data centers	Semiconductors
<b>Current</b>	❖ 75m sq.ft. under development (80% residential, 20% commercial)	❖ 400 MW electrolyzer capacity	❖ 32MW data center capacity	❖ Designing of analog chips
<b>Target</b>	❖ 100m sq.ft. (75% residential, 25% commercial)	❖ 1 GW electrolyzer capacity	❖ 100MW data center capacity	❖ Designing, manufacturing and commercializing of analog chips

Source: Company, MOFSL

**Exhibit 10: Strategic plan (FY21-FY26) progress**

Strat Plan Target				Current Status	
Rs Trillion, %	FY21	FY26	CAGR (FY21 - FY26)	FY25	CAGR (FY21 - FY25)
 Order Inflow	1.7	3.4	14%	3.6	19%
 Revenue	1.4	2.7	15%	2.6	17%
 ROE	10%	18%		16.3%	

Source: Company

**Exhibit 11: The journey of improving return ratios at group level**

(Amount in ₹ crore)

FY25	P&M	IT&TS	FS	DP	Corporate	Total
Gross Revenue	190001	48453	15194	5372	0	255734 <sup>#</sup>
Segment Result (PBIT)	13452	7682	3491	757	1055	26438 <sup>#</sup>
Segment Funds Employed	38398	37703	23877	18063	31396	149437
<b>Segment Result / Segment Funds Employed</b>						
<b>FY25</b>	<b>35.0% ↑</b>	<b>20.4% ↓</b>	<b>14.6% ↑</b>	<b>4.2% ↑</b>	<b>3.4% ↓</b>	<b>17.7% ↑</b>
FY24	28.3%	23.2%	14.0%	5.3%	5.1%	17.5%
FY23	23.6%	24.6%	11.4%	2.0%	3.7%	14.9%
FY22	22.5%	23.8%	7.9%	-1.1%	4.5%	13.5%
FY21	21.9%	20.6%	7.4%	-0.9%	7.3%	12.7%

Source: Company

## Valuation and recommendation

At the current price, LT is trading at 29x/24x/20x P/E on FY26/27/28E earnings of core E&C. We maintain our estimates for core E&C and continue to value the company at 28x P/E two-year forward earnings for core business and a 25% holding company discount for subsidiaries. We maintain BUY with a revised TP of INR4,300, rolling forward to Sep'27E EPS (INR4,200 earlier).

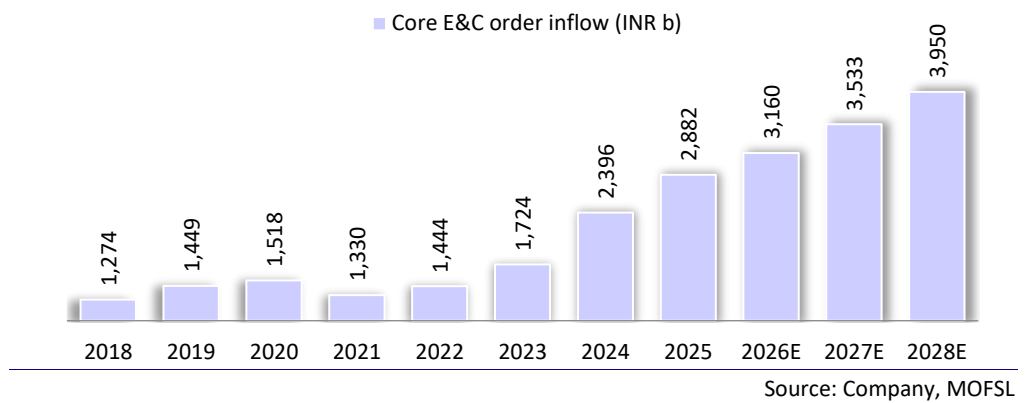
### Exhibit 12: We roll forward our valuation and increase SOTP-based target price to INR4,300 based on Sep'27E EPS

	Earnings/ Book (Jun'27) (INR m)	Target multiple (X)	Value (INR b)	Valuation basis	Stake (%)	Value (INR b)	Sept-27 Per share (INR)
Core E&C business (consolidated)	1,60,181	28	4,405	P/E	100.0	4,405	3,204
L&T Finance Holdings			622	(at MOFSL TP)	66.0	410	298
LTI-Mindtree			1,775	(at MOFSL TP)	68.7	1,220	887
L&T Technology Services			456	(at MOFSL TP)	73.8	336	245
Hyderabad Metro	24,390	1.0	24	P/B	100.0	24	23
Power development	26,000	1.2	31	P/B	100.0	31	29
<b>Total subsidiaries</b>				25% holding co. disc.		1,516	1,112
<b>Grand total</b>							<b>4,316</b>

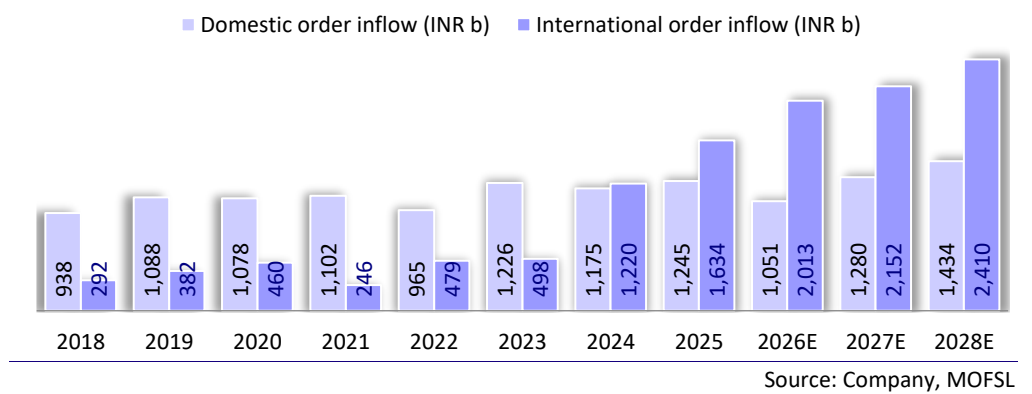
Source: Company, MOFSL

## Financial Outlook

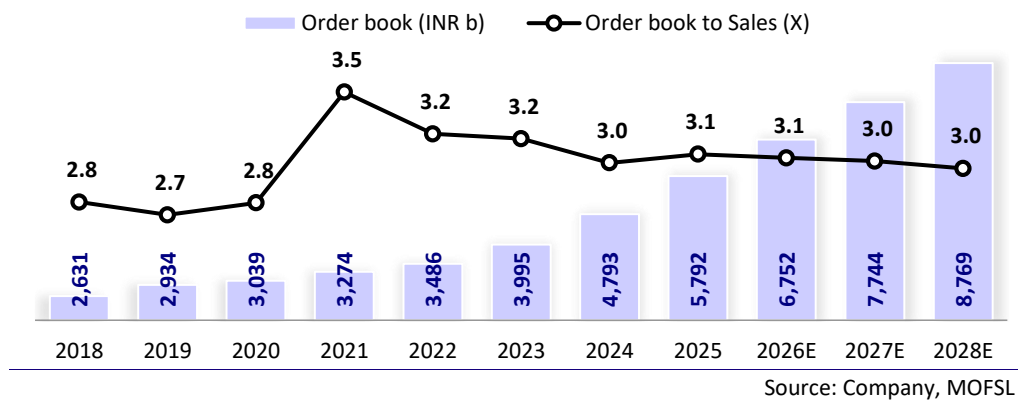
**Exhibit 13: Core E&C order inflow trend (INR b)**



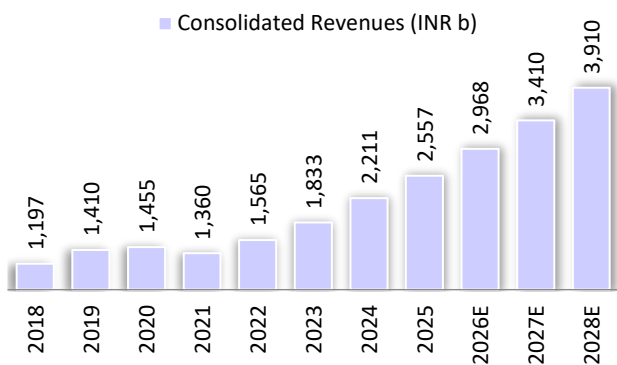
**Exhibit 14: Geography-wise order inflow trend (INR b)**



**Exhibit 15: Robust tendering pipeline to support order book growth**

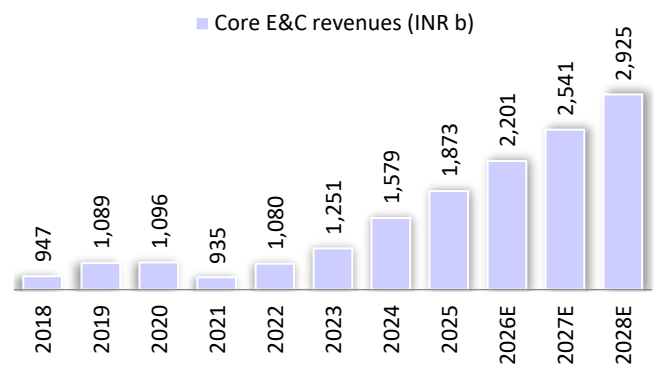


**Exhibit 16: Consolidated revenue trend (INR b)**



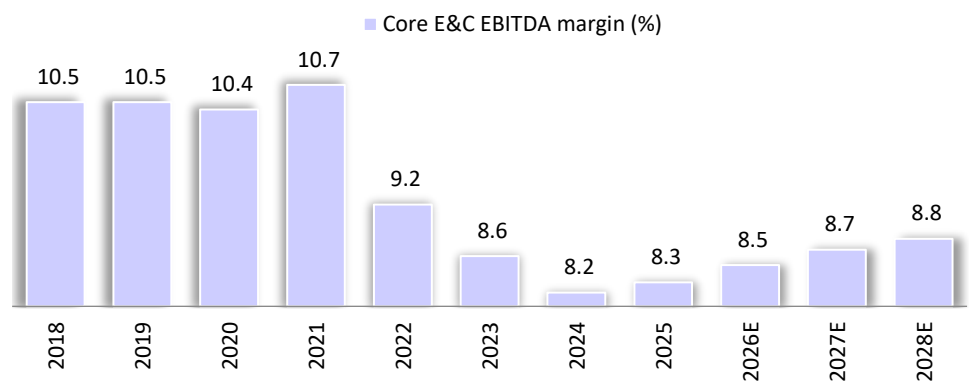
Source: Company, MOFSL

**Exhibit 17: Core E&C revenue trend (INR b)**



Source: Company, MOFSL

**Exhibit 18: E&C EBITDA margin to improve as legacy projects are completed (%)**



Source: Company, MOFSL

## Financials and Valuation

### Consolidated - Income Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Total Income from Operations</b>	<b>1,455</b>	<b>1,360</b>	<b>1,565</b>	<b>1,833</b>	<b>2,211</b>	<b>2,557</b>	<b>2,968</b>	<b>3,410</b>	<b>3,910</b>
Change (%)	3.2	-6.5	15.1	17.1	20.6	15.7	16.1	14.9	14.7
Raw Materials	974	867	997	1,166	1,460	1,710	1,984	2,280	2,614
<b>Gross Profit</b>	<b>481</b>	<b>493</b>	<b>568</b>	<b>667</b>	<b>752</b>	<b>848</b>	<b>984</b>	<b>1,130</b>	<b>1,296</b>
Employees Cost	231	248	297	372	412	468	543	624	715
Other Expenses	86	89	88	87	105	116	130	146	166
<b>Total Expenditure</b>	<b>1,291</b>	<b>1,204</b>	<b>1,383</b>	<b>1,626</b>	<b>1,976</b>	<b>2,293</b>	<b>2,657</b>	<b>3,050</b>	<b>3,495</b>
% of Sales	88.8	88.5	88.4	88.7	89.4	89.7	89.5	89.4	89.4
<b>EBITDA</b>	<b>163</b>	<b>156</b>	<b>182</b>	<b>208</b>	<b>235</b>	<b>264</b>	<b>311</b>	<b>360</b>	<b>415</b>
Margin (%)	11.2	11.5	11.6	11.3	10.6	10.3	10.5	10.6	10.6
Depreciation	25	29	29	35	37	41	42	49	54
<b>EBIT</b>	<b>139</b>	<b>127</b>	<b>153</b>	<b>173</b>	<b>198</b>	<b>223</b>	<b>269</b>	<b>311</b>	<b>361</b>
Int. and Finance Charges	28	39	31	32	35	33	34	36	38
Other Income	24	34	23	29	42	41	47	56	65
<b>PBT bef. EO Exp.</b>	<b>134</b>	<b>122</b>	<b>144</b>	<b>170</b>	<b>204</b>	<b>231</b>	<b>281</b>	<b>332</b>	<b>388</b>
EO Items	-7	-82	-1	-1	-1	-5	0	0	0
<b>PBT after EO Exp.</b>	<b>141</b>	<b>205</b>	<b>145</b>	<b>171</b>	<b>205</b>	<b>236</b>	<b>281</b>	<b>332</b>	<b>388</b>
Total Tax	33	41	42	45	49	59	73	88	101
Tax Rate (%)	23.2	33.2	29.1	26.2	24.1	25.0	26.1	26.4	26.0
Minority Interest	13	14	17	21	25	26	29	32	34
AI	1	0	1	-1	-0	-0	1	1	1
<b>Reported PAT</b>	<b>95</b>	<b>151</b>	<b>87</b>	<b>105</b>	<b>131</b>	<b>150</b>	<b>179</b>	<b>213</b>	<b>254</b>
Adjusted PAT	90	68	86	104	130	147	179	213	254
Change (%)	4.0	-24.5	25.9	20.6	25.2	13.0	22.2	18.9	19.3
Margin (%)	6.2	5.0	5.5	5.7	5.9	5.7	6.0	6.3	6.5

### Consolidated - Balance Sheet

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	2.8	2.8	2.8	2.8	2.7	2.8	2.7	2.7	2.7
Total Reserves	664	756	821	890	861	974	1,097	1,244	1,420
<b>Net Worth</b>	<b>667</b>	<b>759</b>	<b>824</b>	<b>893</b>	<b>864</b>	<b>977</b>	<b>1,100</b>	<b>1,247</b>	<b>1,422</b>
Minority Interest	95	121	130	142	162	177	206	238	271
Total Loans	1,410	1,346	1,255	1,207	1,163	1,324	1,387	1,455	1,529
Deferred Tax Liabilities	-24	-15	-18	-34	-33	-34	-34	-34	-34
Other liabilities	20	0	0	3	1	3	3	3	3
<b>Capital Employed</b>	<b>2,168</b>	<b>2,210</b>	<b>2,191</b>	<b>2,211</b>	<b>2,156</b>	<b>2,447</b>	<b>2,662</b>	<b>2,909</b>	<b>3,191</b>
Gross Block	497	570	531	594	634	681	751	826	912
Less: Accum. Deprn.	98	127	133	168	204	246	288	337	390
<b>Net Fixed Assets</b>	<b>399</b>	<b>443</b>	<b>427</b>	<b>426</b>	<b>430</b>	<b>436</b>	<b>463</b>	<b>490</b>	<b>522</b>
Capital WIP	77	5	20	41	41	27	14	14	14
<b>Total Investments</b>	<b>238</b>	<b>396</b>	<b>396</b>	<b>448</b>	<b>456</b>	<b>553</b>	<b>573</b>	<b>593</b>	<b>613</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>2,329</b>	<b>2,241</b>	<b>2,328</b>	<b>2,349</b>	<b>2,431</b>	<b>2,741</b>	<b>3,131</b>	<b>3,555</b>	<b>4,041</b>
Inventory	57	58	59	68	66	77	89	102	117
Account Receivables	407	422	461	447	488	537	623	716	821
Cash and Bank Balance	151	162	190	225	154	230	334	453	596
Loans and Advances	1,061	991	955	889	951	1,070	1,123	1,180	1,240
Others	652	607	662	719	773	828	961	1,104	1,266
<b>Curr. Liability &amp; Prov.</b>	<b>875</b>	<b>875</b>	<b>980</b>	<b>1,052</b>	<b>1,201</b>	<b>1,310</b>	<b>1,519</b>	<b>1,743</b>	<b>1,998</b>
Other Current Liabilities	840	838	939	1,009	1,157	1,252	1,451	1,666	1,909
Provisions	35	38	42	44	44	58	67	77	89
<b>Net Current Assets</b>	<b>1,455</b>	<b>1,366</b>	<b>1,347</b>	<b>1,296</b>	<b>1,230</b>	<b>1,431</b>	<b>1,612</b>	<b>1,812</b>	<b>2,043</b>
<b>Appl. of Funds</b>	<b>2,168</b>	<b>2,210</b>	<b>2,191</b>	<b>2,211</b>	<b>2,156</b>	<b>2,447</b>	<b>2,662</b>	<b>2,909</b>	<b>3,191</b>

## Financials and Valuation

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Basic (INR)</b>									
EPS	65.8	49.7	62.6	75.4	94.5	106.8	130.5	155.1	185.0
Cash EPS	83.7	70.8	84.0	100.9	121.3	136.8	161.2	190.5	224.0
BV/Share	485.4	551.9	599.5	649.8	628.2	710.4	800.3	907.2	1,034.7
DPS	0.0	36.0	22.0	30.0	28.0	34.0	40.6	48.2	57.5
Payout (%)	30.8	39.1	34.9	39.4	29.5	31.1	31.1	31.1	31.1
<b>Valuation (x)</b>									
P/E	55.8	74.0	58.7	48.7	38.9	34.4	28.2	23.7	19.9
Cash P/E	43.9	51.9	43.7	36.4	30.3	26.9	22.8	19.3	16.4
P/BV	7.6	6.7	6.1	5.7	5.8	5.2	4.6	4.0	3.6
EV/Sales	3.5	3.7	3.2	2.8	2.3	2.0	1.7	1.5	1.3
EV/EBITDA	30.9	32.3	27.7	24.3	21.5	19.1	16.3	14.0	12.2
Dividend Yield (%)	0.5	1.0	0.6	0.8	0.8	0.9	1.1	1.3	1.6
FCF per share	24.7	159.5	117.3	138.1	102.3	40.9	89.5	102.6	125.9
<b>Return Ratios (%)</b>									
RoE	14.0	9.6	10.9	12.1	14.8	16.0	17.3	18.2	19.1
RoCE	6.3	5.2	5.9	7.1	8.8	9.2	9.7	10.4	11.2
RoIC	6.9	5.1	6.7	8.3	10.0	10.7	11.8	12.8	14.0
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	2.9	2.4	2.9	3.1	3.5	3.8	4.0	4.1	4.3
Asset Turnover (x)	0.7	0.6	0.7	0.8	1.0	1.0	1.1	1.2	1.2
Inventory (Days)	14	16	14	14	11	11	11	11	11
Debtor (Days)	102	113	108	89	81	77	77	77	77
<b>Leverage Ratio (x)</b>									
Current Ratio	2.7	2.6	2.4	2.2	2.0	2.1	2.1	2.0	2.0
Interest Cover Ratio	5.0	3.3	4.9	5.4	5.6	6.7	7.8	8.6	9.5
Net Debt/Equity	1.5	1.0	0.8	0.6	0.6	0.6	0.4	0.3	0.2

### Consolidated - Cash Flow

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	143	230	144	170	204	231	253	301	355
Depreciation	25	29	29	35	37	41	42	49	54
Interest & Finance Charges	20	25	21	14	11	9	34	36	38
Direct Taxes Paid	-40	-35	-46	-51	-53	-56	-73	-88	-101
(Inc)/Dec in WC	-78	100	48	54	-14	-121	-77	-82	-88
<b>CF from Operations</b>	<b>69</b>	<b>350</b>	<b>196</b>	<b>221</b>	<b>185</b>	<b>104</b>	<b>179</b>	<b>217</b>	<b>259</b>
Others	-2	-121	-5	7	-3	-13	0	0	0
<b>CF from Operating incl EO</b>	<b>67</b>	<b>228</b>	<b>192</b>	<b>228</b>	<b>183</b>	<b>92</b>	<b>179</b>	<b>217</b>	<b>259</b>
(Inc)/Dec in FA	-33	-9	-30	-38	-42	-35	-56	-76	-86
<b>Free Cash Flow</b>	<b>34</b>	<b>219</b>	<b>161</b>	<b>190</b>	<b>141</b>	<b>56</b>	<b>123</b>	<b>141</b>	<b>173</b>
(Pur)/Sale of Investments	39	-176	-24	-90	27	-137	-20	-20	-20
Others	-88	131	18	44	36	17	0	0	0
<b>CF from Investments</b>	<b>-83</b>	<b>-54</b>	<b>-37</b>	<b>-83</b>	<b>22</b>	<b>-155</b>	<b>-76</b>	<b>-96</b>	<b>-106</b>
Issue of Shares	0	0	0	0	-123	0	-0	0	0
Inc/(Dec) in Debt	138	-87	-84	-45	-41	157	63	68	74
Interest Paid	-29	-33	-34	-35	-41	-42	-34	-36	-38
Dividend Paid	-46	-40	-25	-31	-42	-38	-56	-66	-79
Others	-1	8	-9	-5	-8	-11	29	32	34
<b>CF from Fin. Activity</b>	<b>64</b>	<b>-153</b>	<b>-152</b>	<b>-116</b>	<b>-254</b>	<b>66</b>	<b>2</b>	<b>-3</b>	<b>-10</b>
<b>Inc/Dec of Cash</b>	<b>48</b>	<b>21</b>	<b>3</b>	<b>29</b>	<b>-50</b>	<b>2</b>	<b>105</b>	<b>118</b>	<b>143</b>
Opening Balance	0	151	162	190	225	154	230	334	453
<b>Closing Balance</b>	<b>151</b>	<b>162</b>	<b>190</b>	<b>225</b>	<b>154</b>	<b>230</b>	<b>334</b>	<b>453</b>	<b>596</b>

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