

# Larsen & Toubro Ltd



(LT | BSE Code: 500510 )

₹ 3,744

52 Week (High - ₹4194.70, Low - ₹2967.65)

## About the company

Larsen & Toubro Ltd is a multinational conglomerate which is primarily engaged in providing engineering, procurement and construction (EPC) solutions in key sectors such as Infrastructure, Hydrocarbon, Power, Process Industries and Defence, Information Technology and Financial Services in domestic and international markets.

## Financial Summary



## Recent Updates :

- Over the past year, the stock has delivered a average return of 12.96%, comfortably exceeding the Sensex's 8.62% gain.
- As the largest company in the construction sector by market capitalisation, Larsen & Toubro commands a significant 42.90% share of the sector's total market value.
- Its annual sales of Rs.255734.5 crore represent nearly 60% of the industry's revenue, reinforcing its pivotal role in shaping sector dynamics and investor sentiment.
- Despite facing quarterly revenue pressures during late 2025 and early 2026, the company has maintained steady growth throughout 2025.
- Larsen & Toubro demonstrated strong momentum throughout 2025 across infrastructure, technology, and energy sectors. The company secured major contracts in transportation, hydrocarbon, and building projects while expanding into sovereign cloud and sustainable construction solutions.

## DuPont Analysis - 3 Lever

Return on Equity (ROE)					
	Mar-2021	Mar-2022	Mar-2023	Mar-2024	Mar-2025
Net Profit	11582.9	8669.3	10470.7	13059.1	15037.1
Avg. Shareholder's Equity	71295.9	79138.1	85866.8	87842.6	92007.4
ROE	16.2%	11.0%	12.2%	14.9%	16.3%

ROE - DuPont Equation ( 3 Lever )					
	Mar-2021	Mar-2022	Mar-2023	Mar-2024	Mar-2025
Net Profit	11582.9	8669.3	10470.7	13059.1	15037.1
Revenue	135979.0	156521.2	183340.7	221112.9	255734.5
Net Profit Margin (A)	8.5%	5.5%	5.7%	5.9%	5.9%
Revenue	135979.0	156521.2	183340.7	221112.9	255734.5
Avg. Total Asset	308391.1	314561.5	324374.9	334662.1	359358.2
Asset Turnover Ratio (B)	0.44x	0.50x	0.57x	0.66x	0.71x
Avg. Total Asset	308391.1	314561.5	324374.9	334662.1	359358.2
Avg. Shareholder's Equity	71295.9	79138.1	85866.8	87842.6	92007.4
Equity Multiplier (C)	4.33x	3.97x	3.78x	3.81x	3.91x
ROE (A*B*C)	16.2%	11.0%	12.2%	14.9%	16.3%

Return on Assets (ROA)					
	Mar-2021	Mar-2022	Mar-2023	Mar-2024	Mar-2025
Net Profit	11582.93	8669.33	10470.72	13059.11	15037.11
Avg. Total Asset	308391.07	314561.48	324374.895	334662.11	359358.215
ROA	3.8%	2.8%	3.2%	3.9%	4.2%

ROA - DuPont Equation					
	Mar-2021	Mar-2022	Mar-2023	Mar-2024	Mar-2025
Net Profit	11582.93	8669.33	10470.72	13059.11	15037.11
Revenue	135979.03	156521.23	183340.7	221112.91	255734.45
Net Profit Margin (A)	8.5%	5.5%	5.7%	5.9%	5.9%
Revenue	135979.03	156521.23	183340.7	221112.91	255734.45
Avg. Total Asset	308391.07	314561.48	324374.895	334662.11	359358.215
Asset Turnover Ratio (B)	0.44x	0.50x	0.57x	0.66x	0.71x
ROA (A*B)	3.8%	2.8%	3.2%	3.9%	4.2%

### Summary :

- The Return on Equity (ROE) has declined gradually after 2021, but has now recovered strongly reaching **16.3% as of March 2025**.
- The growth of ROE after 2023 was primarily driven by the growth in Asset Turnover ratio, which shows an increase in effective asset utilisation **to 0.71x** by March 2025.
- Similarly, Return on Asset (ROA) recovered strongly after a drop in 2022 from **2.8% to 4.2%** by March 2025.
- Despite a slight improvement in the Net profit margin from 2022-2025, Effective asset utilization stands as the main reason for the improving ROE.

DuPont Analysis - 5 Lever

Return on Equity (ROE)

	Mar-2021	Mar-2022	Mar-2023	Mar-2024	Mar-2025
Net Profit	11582.93	8669.33	10470.72	13059.11	15037.11
Avg. Shareholder's Equity	71295.875	79138.095	85866.805	87842.595	92007.42
ROE	16.2%	11.0%	12.2%	14.9%	16.3%

ROE - DuPont Equation ( 5 Lever )

	Mar-2021	Mar-2022	Mar-2023	Mar-2024	Mar-2025
Net Profit	11582.93	8669.33	10470.72	13059.11	15037.11
EBT	16917.7	14494.97	17109.03	20517.11	23578.79
Tax Burden (A)	68.5%	59.8%	61.2%	63.6%	63.8%
EBT	16917.7	14494.97	17109.03	20517.11	23578.79
EBIT	28667.28	23729.95	26554.47	30029.28	33503.57
Interest Burden (B)	59.0%	61.1%	64.4%	68.3%	70.4%
EBIT	28667.28	23729.95	26554.47	30029.28	33503.57
Revenue	135979.03	156521.23	183340.7	221112.91	255734.45
Operating Profit Margin (C)	21.1%	15.2%	14.5%	13.6%	13.1%
Revenue	135979.03	156521.23	183340.7	221112.91	255734.45
Avg. Total Asset	308391.07	314561.48	324374.895	334662.11	359358.215
Asset Turnover Ratio (D)	0.44x	0.50x	0.57x	0.66x	0.71x
Avg. Total Asset	308391.07	314561.48	324374.895	334662.11	359358.215
Avg. Shareholder's Equity	71295.875	79138.095	85866.805	87842.595	92007.42
Equity Multiplier (E)	4.33x	3.97x	3.78x	3.81x	3.91x
ROE (A*B*C*D*E)	16.2%	11.0%	12.2%	14.9%	16.3%

Net Profit Margin

	Mar-2021	Mar-2022	Mar-2023	Mar-2024	Mar-2025
Net Profit	11582.93	8669.33	10470.72	13059.11	15037.11
Revenue	135979.03	156521.23	183340.7	221112.91	255734.45
Net Profit Margin	8.5%	5.5%	5.7%	5.9%	5.9%

Net Profit Margin - DuPont Equation

	Mar-2021	Mar-2022	Mar-2023	Mar-2024	Mar-2025
Net Profit	11582.93	8669.33	10470.72	13059.11	15037.11
EBT	16917.7	14494.97	17109.03	20517.11	23578.79
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Revenue	135979.03	156521.23	183340.7	221112.91	255734.45
Operating Profit Margin (C)	21.1%	15.2%	14.5%	13.6%	13.1%
Net Profit Margin (A*B*C)	8.5%	5.5%	5.7%	5.9%	5.9%

Summary :

- The Return on Equity (ROE) has declined gradually after 2021, but has now recovered strongly reaching **16.3% as of March 2025**.
- The interest burden increased strongly to **70.4% from 59%**, which shows the company is losing less of the EBIT to interest payments, which gradually increased the ROE.
- Alongside of losing less of EBIT to interest payments, the growth of ROE after 2023 was primarily driven by the growth in Asset Turnover ratio, which shows an increase in effective asset utilisation to **0.71x** by March 2025.
- Similarly, Net Profit Margin recovered after a drop in 2022 from **5.5% to 5.9%** by March 2025.
- Despite a slight increase in Tax Burden from 2022-2025, the Net profit margin growth was mainly fueled by the rapid increase in Interest Burden.