

## Apr-Jun'25 Earnings Preview

July 9, 2025

### Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
ABB India*	BUY	5,840	6,851
Apar Industries	Acc	8,600	7,825
Bharat Electronics**	HOLD	422	374
BEML	Hold	4,522	4,142
BHEL	HOLD	258	237
Carborundum Universal	HOLD	994	1,028
Elgi Equipments	Acc	535	559
Engineers India	Acc	242	250
GE Vernova T&D India**	Acc	2,383	2,005
Grindwell Norton	Hold	1,753	1,739
Harsha Engineers International	Acc	405	398
Hindustan Aeronautics	Acc	5,003	5,500
Ingersoll-Rand (India)	BUY	4,045	4,522
KEC International	Acc	878	911
Cummins India	BUY	3,478	3,647
Kalpataru Projects International	Acc	1,190	1,268
Kirloskar Pneumatic Company	BUY	1,412	1,636
Larsen & Toubro	BUY	3,607	4,037
Praj Industries	BUY	497	545
Siemens#	Acc	3,291	3,497
Thermax	Acc	3,435	3,629
Triveni Turbine	BUY	640	772
Voltamp Transformers	BUY	9,420	10,285

Source: PL \* Y/e Dec / # Y/e Sep

\*\* Variation from our rating system concerning TP and upsides given increased market volatility. We shall review the same at the time of the results.

Acc=Accumulate

### Top Picks

#### Kirloskar Pneumatic

#### Triveni Turbine

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## Strong order pipeline; healthy growth amid low base

We expect our capital goods coverage universe to report strong performance in Q1FY26 owing to the 1) lower base effect for many companies, especially EPC companies, due to general elections held in Q1FY25, 2) recent geopolitical incidents leading to better performance out of defence companies, 3) strong domestic traction for product companies, and 4) strong YoY growth seen in the public capex for railways, defence, power, road transport and highways etc. in Q1FY26. The strong performance is anticipated despite cautious exports and tariff related uncertainties along with continued weakness in the consumable companies. Overall, we expect revenue/EBITDA growth of ~15.1%/15.5% YoY (~15.3%/14.9% YoY ex-L&T). Execution pace, domestic capex momentum and trade deal between the USA and India impacting the export business of many of our coverage companies will remain key monitorables. Our top picks are Kirloskar Pneumatic and Triveni Turbine.

**Order inflows (OI) in Q1FY26 are likely to remain strong**, owing to substantial order wins announced by companies across key sectors such as T&D, Civil, B&F, Defence electronics and HVDC. In Q1FY26, BHEL announced a big HVDC order along with another supply of equipment order worth ~Rs65bn while EPC companies KEC/Kalpataru announced OI worth Rs68.5bn/Rs71.5bn. L&T announced orders between Rs95bn to Rs200bn. Among the defence companies, BEL announced OI worth Rs73.5bn on the back of strong traction in the domestic market led by defence indigenization. Strong inquiries across Power T&D, HVDC, data centers, railways, O&G and renewables is driving strong domestic outlook. Meanwhile, key export markets, including the Middle East and Americas are driving export order bookings for the companies.

**Product companies' revenue to grow ~14% YoY**, led by strong domestic demand and healthy execution. The exports remain uncertain amid the geopolitical trade wars and reciprocal tariffs. EBITDA margins are likely to decline due to normalizing realizations and weaker operating leverage. The order intake for product companies is expected to be driven by continued traction from data centers, Power T&D, electronics, railway equipment and O&G segment.

**Project companies' revenue to grow ~16% YoY (~18% ex. L&T and BHEL)** led by healthy execution of robust order books, with EBITDA margins likely to expand on the back of better project mix and operating leverage. Furthermore, strong growth seen in infrastructure related public capex during the quarter is anticipated to aid better ordering momentum for the project companies. However, we remain watchful on overall execution rates given the supply chain challenges, and continued labor shortages reported by some of the EPC players.

**Consumable companies' revenue to grow modestly at ~5% YoY**, aided by resilient domestic demand however, Chinese dumping, geopolitical and tariff related uncertainties and overall weaker global demand is anticipated to drag the exports. EBITDA margins are likely to decline YoY primarily due to lower export business and unfavorable product mix.

**Defence companies' revenue to grow at ~13% YoY**, driven by strong execution of robust order books. EBITDA margins are likely to improve on the back of better operating leverage. Defence companies will continue to benefit from India's push on indigenization while the Emergency Procurement may result in additional orders for defence companies during the quarter.

**Exhibit 2: 1QFY26E YoY growth (%)**

Companies	Sales		EBITDA		PAT	
	Rs mn	YoY gr.	Rs mn	YoY gr.	Rs mn	YoY gr.
ABB India	32,702	15.5%	6,050	11.5%	4,954	11.9%
Apar Industries	46,359	15.6%	4,149	10.2%	2,271	12.1%
BEML	7,013	10.6%	-351	-	-621	-
Bharat Electronics	49,622	18.2%	11,413	21.8%	9,149	17.9%
BHEL	67,929	23.8%	-1,019	-	-1,727	-
Carborundum Universal	12,678	5.9%	1,623	-16.2%	947	-16.2%
Cummins India	25,352	10.0%	4,918	5.2%	4,410	5.1%
Engineers India	8,413	34.9%	925	81.4%	1,100	86.7%
Elgi Equipments	8,794	9.8%	1,284	12.7%	850	16.7%
GE Vernova T&D	12,784	33.4%	2,518	38.2%	1,801	33.8%
Grindwell Norton	7,315	3.7%	1,361	2.2%	942	1.1%
Harsha Engineers	3,629	5.7%	533	-3.3%	346	-4.1%
Hindustan Aeronautics	47,170	8.5%	10,684	7.8%	11,350	4.1%
Ingersoll-Rand India	3,495	10.0%	856	3.4%	652	5.4%
KEC International	50,390	11.7%	3,477	28.6%	1,178	71.1%
Kalpataru Projects	45,514	22.3%	3,869	23.4%	1,677	43.8%
Kirloskar Pneumatic	3,135	13.9%	458	16.6%	320	18.9%
L&T	633,423	14.9%	65,212	16.1%	34,371	23.4%
Praj Industries	7,824	11.9%	673	-22.5%	431	-30.5%
Siemens	42,154	12.0%	5,143	5.9%	4,330	-0.4%
Thermax	24,238	11.0%	1,721	21.9%	1,352	16.8%
Triveni Turbine	5,457	17.8%	1,146	19.9%	967	20.8%
Voltamp	4,419	3.2%	756	-0.3%	746	-6.1%

Source: Company, PL

## Material risks from reciprocal tariffs are averted for now

Several companies within our coverage universe with export exposure to the USA have indicated that the potential reciprocal tariffs, estimated at around 10%, are largely manageable. In certain cases, these additional costs are absorbed by customers in the USA. Moreover, Indian manufacturers continue to remain competitively positioned compared to peers from other countries that are subject to even higher tariff rates. As a result, initial indications suggest that these reciprocal tariffs may not have a material impact on the export operations of Indian capital goods companies. We await further clarity following the finalization of the trade agreement between the USA and India.

**Exhibit 3: Companies in our coverage universe with exposure to the USA**

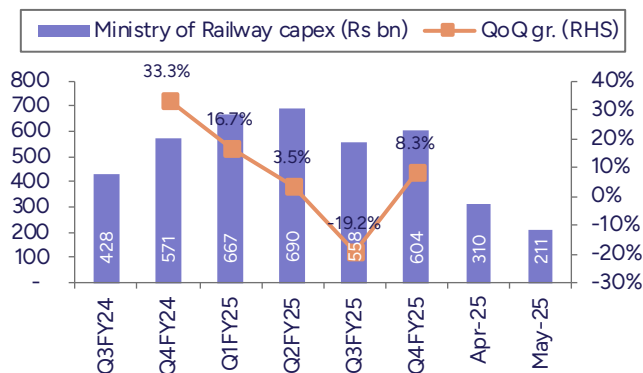
Company	Exposure to the USA
Ingersoll-Rand India	~13% revenue from USA in FY24
Elgi Equipments	~23% revenue from USA in FY24
Carborundum Universal	Export of Industrial Ceramics and Abrasives
Triveni Turbine	Invested in the USA for aftermarket services
Praj Industries	GenX facility to export ETCA products, CPES
Cummins	Export of HPP products
Apar Industries	Exports of Conductors and Cables

Source: Company, PL

## Public capex surge to boost the tendering

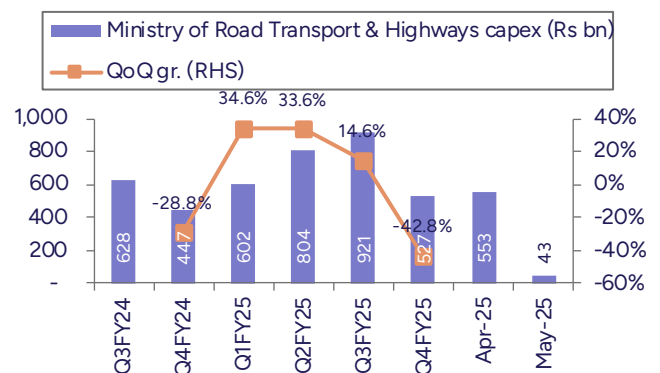
Public capital expenditure by the Government of India witnessed robust growth in the first two months of FY26, increasing by 61% YoY in April and 39% YoY in May. Within this, the Ministry of Railways recorded a moderate capex growth of 3.7% and 7.6% YoY in April and May, respectively, while the Ministry of Road Transport and Highways reported a decline of 1% in April followed by a sharp 119% YoY surge in May. This strong momentum in infrastructure-led public capex is expected to accelerate the pace of tendering activity across the country, driving higher order inflows for project execution companies. Additionally, capex by the Ministry of Defence rose significantly by 92% in April and 271% in May, aligning with the government's focus on defence indigenization and likely supporting improved order visibility for domestic defence manufacturers.

**Exhibit 4: Ministry of Railway capex growth**



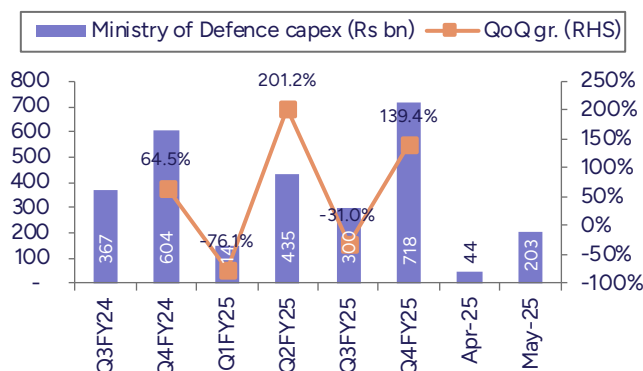
Source: Industry, PL

**Exhibit 5: Ministry of Road Transport capex in Q1FY26**



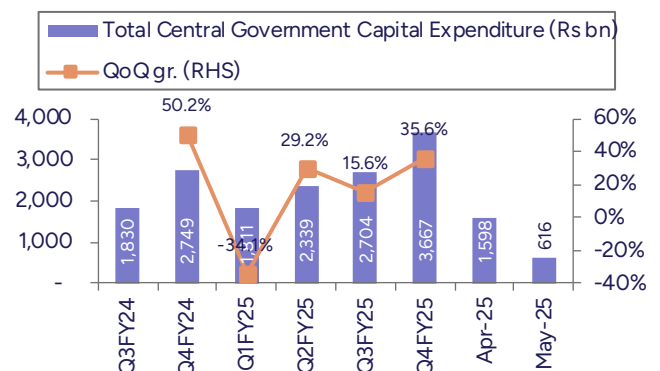
Source: Industry, PL

**Exhibit 6: Ministry of Defence spent ~Rs203bn in May**



Source: Industry, PL

**Exhibit 7: Robust YoY growth in total capex by government**

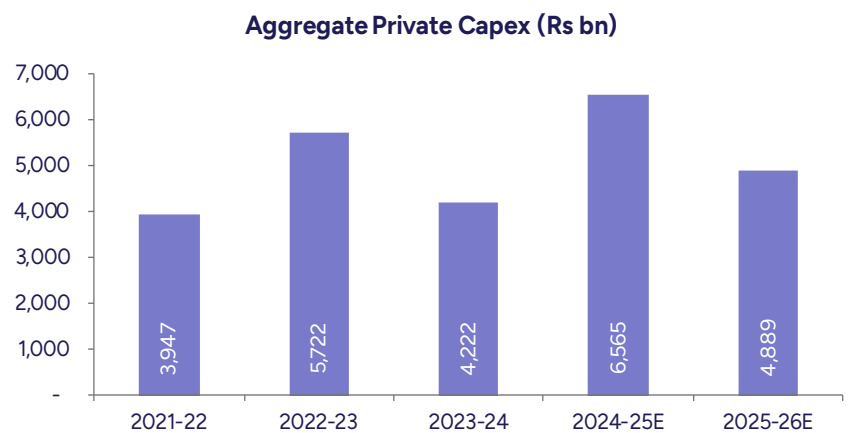


Source: Industry, PL

## Private capex revival; manufacturing to lead momentum

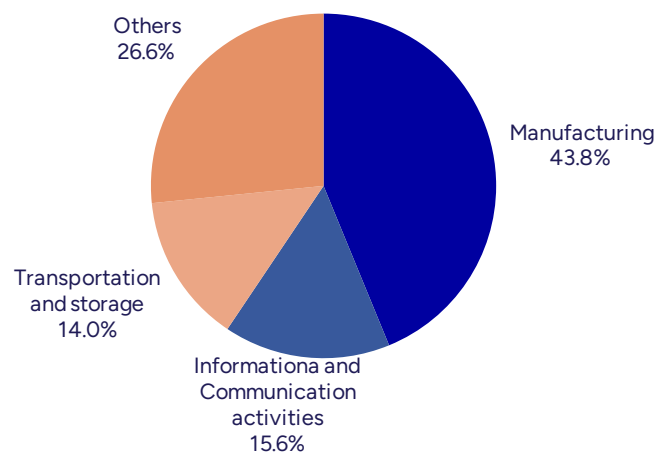
Private sector capital expenditure in India for the acquisition of new gross fixed assets is **projected to grow by ~55% YoY to Rs6.6trn in 2025**. Over the period 2022–2026E, private capex is expected to register a healthy CAGR of ~24%, driven predominantly by investments in the **manufacturing sector, which is estimated to account for 43.8%** of total private capex in 2025. This strong momentum in private sector investment, alongside robust public capex, is anticipated to support increased ordering activity for capital goods companies within our coverage universe.

### Exhibit 8: Private capex to see a ~55% YoY growth in 2025



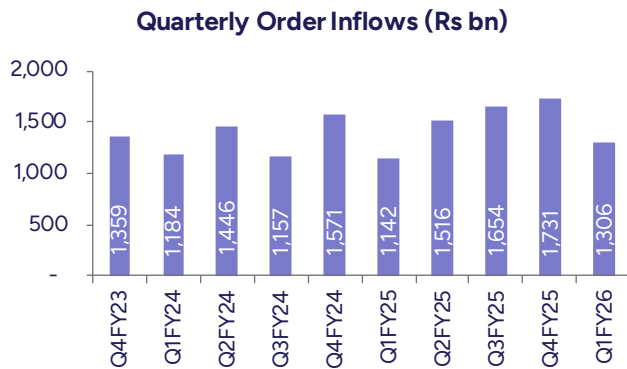
Source: MOSPI

### Exhibit 9: Manufacturing to lead the private capex surge



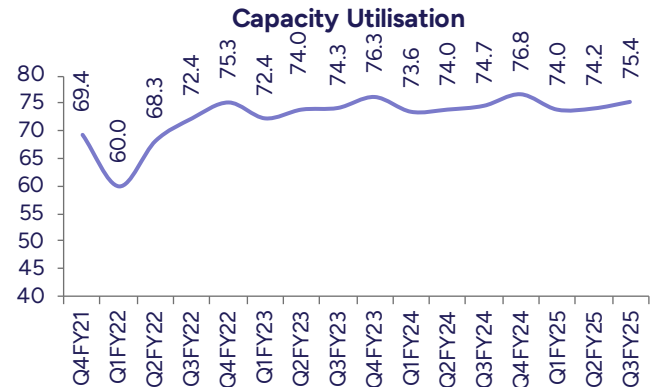
Source: MOSPI

**Exhibit 10: OI to grow ~14% YoY (~16% ex. L&T and BHEL)**



Source: Company, PL

**Exhibit 11: Utilization levels remain stable**



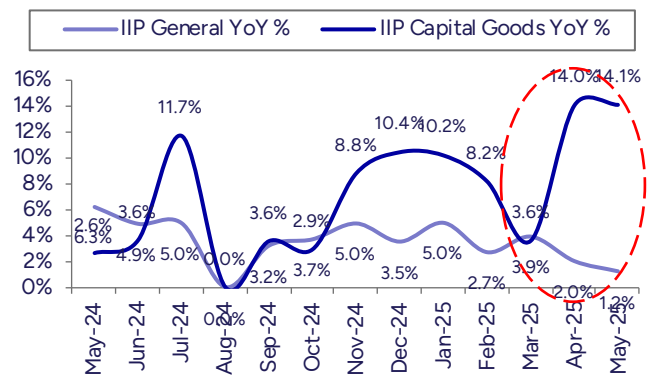
Source: RBI, PL

**Exhibit 12: Strong macro activity with new & revived projects**

Rs trillion	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
New projects	2.3	7.2	6.2	18.9	4.1
YoY gr.	-72%	87%	-20%	27%	75%
Completed projects	0.7	1.2	0.9	1.6	2.0
YoY gr.	-58%	-38%	-53%	-60%	194%
Stalled projects	0.9	0.0	0.2	0.4	0.1
YoY gr.	-3%	-88%	336%	-77%	-90%
Revived projects	0.2	0.3	0.2	2.2	1.2
YoY gr.	-46%	-21%	-69%	254%	561%

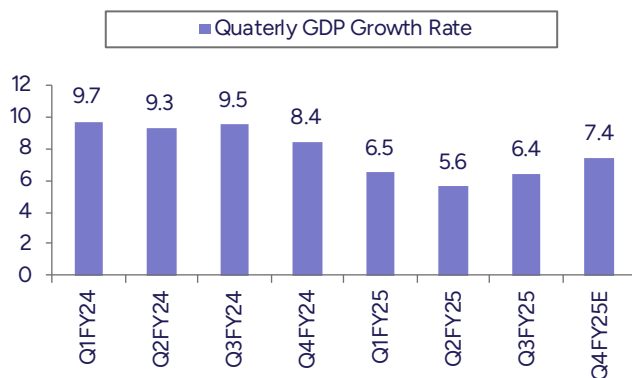
Source: CMIE, PL

**Exhibit 13: IIP general growth shot up in Q1FY26**



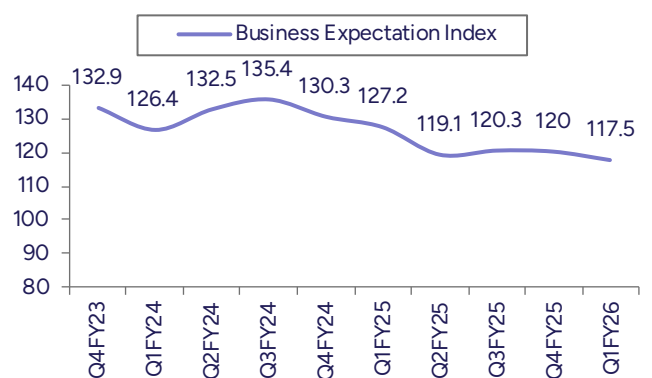
Source: MOSPI, PL

**Exhibit 14: GDP growth estimates improved in Q4FY25E**



Source: MOSPI, PL

**Exhibit 15: Business expectations slightly declined in Q1FY26**



Source: RBI, PL

## Top Picks

**Kirloskar Pneumatic:** KKPC is well positioned for sustained long-term growth, driven by new product launches in air compression (Tezcatlipoca, ARIa) targeting import-heavy centrifugal and low-end screw compressor segments; strong market leadership across the oil & gas value chain and CNG mother stations with robust investment pipelines; expansion into CNG daughter stations and CBG plants through Calana and Jarilo; enhanced presence in commercial and industrial refrigeration via the Khione launch and S&C India acquisition; strategic focus on in-house IP development and backward integration; and solid cash flows supported by a strong balance sheet. We expect the company to clock revenue/adj. PAT CAGR of 17%/19% over FY25-27E. We have a **'Buy'** rating with a TP of Rs1,636 valuing the stock at a PE of 35x Mar'27E.

**Triveni Turbine:** We believe TRIV's prospects remain robust driven by healthy enquiry pipeline for its industrial and API turbines fueled by global energy transition and generation gap. Furthermore, its healthy order book and growing share of high margin exports and aftermarket will strengthen its margin profile. Its export growth will be driven by O&G applications in Middle East and industrial generation application led demand from Europe and Americas. Its portfolio expansion to manufacture turbines of up to 120 MW will further open up additional serviceable market. We expect company to report revenue/adj. PAT CAGR of 27%/31% over FY25-27E. We have a **'Buy'** rating on the stock with a TP of Rs772 valuing it at a PE of 40x Mar'27E.

**Exhibit 16: Q1FY26 Result Preview**

Company Name		Q1FY26E	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Remark
ABB India	Sales	32,702	28,309	15.5	31,596	3.5	We expects ABB to register a revenue growth of ~16% YoY driven by strong growth in Robotics against a low base and strong execution in Electrification business. EBITDA margin will likely normalize YoY by ~70bps. Management's commentary on export outlook, execution pace, ordering momentum and potential spin-off of Robotics business will be key monitorables.
	EBITDA	6,050	5,425	11.5	5,823	3.9	
	Margin (%)	18.5	19.2	-66 bps	18.4	7 bps	
	PBT	6,615	5,938	11.4	6,361	4.0	
	Adj. PAT	4,954	4,426	11.9	4,741	4.5	
Apar Industries	Sales	46,359	40,105	15.6	52,098	(11.0)	We expect Apar industries to report a revenue growth of ~16% YoY driven by strong growth in Cables and higher volumes in Conductor business. EBITDA margin will likely decline by ~40 bps, in-line with continued normalization in Conductor EBITDA/MT. Management's commentary regarding demand recovery in the USA market along with intensity of Chinese competition in non-USA markets will be key monitorable.
	EBITDA	4,149	3,766	10.2	4,582	(9.5)	
	Margin (%)	9.0	9.4	-44 bps	8.8	15 bps	
	PBT	3,036	2,704	12.3	3,401	(10.7)	
	Adj. PAT	2,271	2,025	12.1	2,500	(9.2)	
Bharat Electronics	Sales	49,622	41,988	18.2	91,197	(45.6)	We expect BEL to report revenue growth of ~18% YoY driven by healthy execution of a strong order book. EBITDA margin is expected to expand by ~70bps as lower gross margin is offset by employee cost leverage. During the quarter, company announced an order inflow of ~Rs73.5bn across various products. Management's commentary on order pipeline and potential award date of QRSAM order will be key monitorables.
	EBITDA	11,413	9,367	21.8	27,890	(59.1)	
	Margin (%)	23.0	22.3	69 bps	30.6	-758 bps	
	PBT	12,198	10,373	17.6	28,476	(57.2)	
	Adj. PAT	9,149	7,761	17.9	21,048	(56.5)	





Company Name		Q1FY26E	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Remark
<b>BEML</b>	Sales	7,013	6,341	10.6	16,525	(57.6)	We expect BEML to report a revenue growth of ~11% YoY driven by a likely healthy execution of Rail & Metro order book. EBITDA loss is expected to go down to ~Rs350mn (vs loss of Rs501mn YoY) owing to better operating leverage. Management's commentary on execution pace across segments and defense order intake will be key monitorable.
	EBITDA	-245	-501	NA	4,225	NA	
	Margin (%)	-3.5	-7.9	441 bps	25.6	-2907 bps	
	PBT	-515	-754	NA	3,948	NA	
	Adj. PAT	-515	-705	NA	2,876	NA	
<b>BHEL</b>	Sales	67,929	54,849	23.8	89,934	(24.5)	We expect BHEL to register a revenue growth of ~24% YoY driven by strong execution across both Power and Industry segments. EBITDA loss is expected to go down to ~Rs1.0bn (vs loss of Rs1.7bn YoY) owing to gross margin expansion and lower employee costs. During the quarter, BHEL secured Bhadla-Fatehpur HVDC order in its Industry segment while it secured and order for equipment supply with supervision for erection and commissioning of six 800 MW thermal units from Adani Power. BHEL's execution pace in its Power segment, order prospects and working capital management will be key monitorables.
	EBITDA	-1,019	-1,694	NA	8,317	NA	
	Margin (%)	-1.5	-3.1	159 bps	9.2	-1075 bps	
	PBT	-2,309	-2,801	NA	7,040	NA	
	Adj. PAT	-1,727	-2,125	NA	5,040	NA	
<b>Carborundum Universal</b>	Sales	12,678	11,975	5.9	12,171	4.2	We expect Carborundum Universal to report a revenue growth of ~6% YoY owing to growth in Ceramics business while Abrasives is anticipated to post a modest growth against a high base. Meanwhile, the Electrominerals segment is also expected to register modest revenue growth owing to the loss of VAW's export business. EBITDA margin is expected to decline by ~330bps YoY due to unfavorable product mix and higher operating expenses. Management's commentary on an update regarding VAW's export business, performance of CUMI's other key subsidiaries and volume growth across key segments and geographies will be key monitorables.
	EBITDA	1,623	1,936	-16.2	1,463	10.9	
	Margin (%)	12.8	16.2	-336 bps	12.0	78 bps	
	PBT	1,176	1,459	-19.4	934	25.9	
	Adj. PAT	947	1,130	-16.2	291	224.9	
<b>Elgi Equipments</b>	Sales	8,794	8,011	9.8	9,929	(11.4)	We expect Elgi to register a revenue growth of ~10% YoY led by strong growth in domestic air compressors. EBITDA margin will likely improve by ~40bps YoY owing to better operating leverage. Management's commentary on order booking, recovery in the export markets and new product launches will be key monitorables.
	EBITDA	1,284	1,139	12.7	1,499	(14.4)	
	Margin (%)	14.6	14.2	38 bps	15.1	-50 bps	
	PBT	1,174	999	17.5	1,392	(15.7)	
	Adj. PAT	850	728	16.7	1,020	(16.6)	
<b>Engineers India</b>	Sales	8,413	6,238	34.9	10,102	(16.7)	We expect EIL to report a revenue growth of ~35% YoY supported by strong execution across both Consultancy and Turnkey. Turnkey segment is expected to clock extraordinary revenue growth YoY against a lower base in Q1FY25 which was impacted by general elections. EBITDA margin will likely improve by ~280bps YoY owing to better operating leverage. Management's commentary on order inflows in the Non-O&G and overseas consultancy segments, the pace of order finalization in the Turnkey business, and execution progress across both segments will be key monitorables.
	EBITDA	925	510	81.4	2,184	(57.6)	
	Margin (%)	11.0	8.2	282 bps	21.6	-1062 bps	
	PBT	1,208	793	52.5	2,436	(50.4)	
	Adj. PAT	1,100	589	86.7	2,129	(48.3)	
<b>GE Vernova T&amp;D India</b>	Sales	12,784	9,583	33.4	11,525	10.9	We expect GVTD to register ~33% YoY revenue growth driven by strong execution of its robust order book. EBITDA margin is expected to improve by ~70bps supported by better operating leverage. Ordering momentum from group companies and HVDC tendering pipeline in domestic market will be key monitorables.
	EBITDA	2,518	1,822	38.2	2,671	(5.7)	
	Margin (%)	19.7	19.0	69 bps	23.2	-348 bps	
	PBT	2,483	1,799	38.0	2,711	(8.4)	
	Adj. PAT	1,801	1,345	33.8	2,015	(10.6)	
<b>Grindwell Norton</b>	Sales	7,315	7,056	3.7	7,095	3.1	We expect Grindwell Norton to register a revenue growth of ~4% YoY led by growth in Abrasives. EBITDA margin is likely to contract by ~30bps. Management's commentary regarding export demand recovery along with impact of Chinese dumping will remain key monitorables.
	EBITDA	1,361	1,331	2.2	1,273	6.9	
	Margin (%)	18.6	18.9	-27 bps	17.9	66 bps	
	PBT	1,261	1,250	0.8	1,227	2.8	
	Adj. PAT	942	932	1.1	925	1.8	



Company Name		Q1FY26E	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Remark
Harsha Engineers International	Sales	3,629	3,432	5.7	3,730	(2.7)	We expect Harsha to register revenue growth of ~6% YoY driven by growth in India Engineering and exports from India business which is partially offset by continued weakness in Romania and China subsidiaries. EBITDA margin will likely decline by ~140bps YoY against a higher base. Management's commentary regarding their plans for Romania subsidiary along with demand outlook in the domestic market will remain key monitorables.
	EBITDA	533	552	-3.3	352	51.7	
	Margin (%)	14.7	16.1	-138 bps	9.4	527 bps	
	PBT	473	503	-5.9	349	35.8	
	Adj. PAT	346	361	-4.1	253	36.6	
Hindustan Aeronautics	Sales	47,170	43,475	8.5	136,999	(65.6)	We expect HAL's revenue to report revenue growth of ~8.5% driven by strong execution of healthy order book of ~Rs1.9trn. EBITDA margin will be likely to remain flattish to 22.7%. Management's commentary regarding the status of Tejas Mk1A deliveries to IAF along with order prospects are key monitorables.
	EBITDA	10,684	9,907	7.8	52,949	(79.8)	
	Margin (%)	22.7	22.8	-14 bps	38.6	-1600 bps	
	PBT	14,740	13,887	6.1	52,015	(71.7)	
	Adj. PAT	11,350	10,898	4.1	39,767	(71.5)	
Ingersoll-Rand (India)	Sales	3,495	3,177	10.0	3,223	8.4	We expect INGR to register a revenue growth of ~10% driven by decent execution and continued strong domestic demand for air compression. EBITDA margin is expected to decline by ~150 bps due to unfavorable mix. Impact of reciprocal tariffs by the USA on the company's export business will remain key monitorables.
	EBITDA	856	828	3.4	835	2.6	
	Margin (%)	24.5	26.1	-157 bps	25.9	-139 bps	
	PBT	875	833	5.1	902	(2.9)	
	Adj. PAT	652	619	5.4	677	(3.6)	
KEC International	Sales	50,390	45,119	11.7	68,721	(26.7)	We expect KEC to register revenue growth of ~12% YoY driven by healthy execution in T&D and Cable businesses partially offset by continued labor shortages and collection delays in water impacting Civil business. EBITDA margins will be likely to improve by ~90bps owing to improvement in gross margins and employee cost leverage. During the quarter, the company announced an order inflow of ~Rs68.5bn led by T&D and Civil. Management's commentary on execution pace, labour availability and payment collections from water projects will be key monitorables.
	EBITDA	3,477	2,704	28.6	5,388	(35.5)	
	Margin (%)	6.9	6.0	91 bps	7.8	-94 bps	
	PBT	1,529	880	73.7	3,422	(55.3)	
	Adj. PAT	1,418	636	123.0	2,682	(47.1)	
Cummins India	Sales	25,352	23,042	10.0	24,569	3.2	We expect Cummins to register a decent revenue growth of ~10% YoY primarily driven by growth across both domestic and export sales. Domestically, the powergen business continues to experience volume and pricing normalization post CPCB IV+ transition while few headwinds are present in compressor and mining segments in the Industrial business. EBITDA margin is likely to decline by ~90bps YoY as pricing normalization led decline in gross margin is expected to be partially offset by operating leverage. Management's commentary regarding the volume and pricing stabilization in powergen business and demand outlook in the Industrial business will be key monitorables.
	EBITDA	4,918	4,673	5.2	5,197	(5.4)	
	Margin (%)	19.4	20.3	-88 bps	21.2	-175 bps	
	PBT	5,818	5,509	5.6	6,807	(14.5)	
	Adj. PAT	4,410	4,198	5.1	5,214	(15.4)	
Kalpataru Projects International	Sales	45,514	37,219	22.3	62,042	(26.6)	We expect Kalpataru's standalone revenue to grow by ~22%, driven by strong execution in T&D and B&F business. EBITDA margin will likely remain flattish at ~8.5% as lower gross margin is expected to be offset by better operating leverage. During the quarter, the company announced a strong order intake of ~Rs71.5bn primarily across its T&D and B&F businesses across domestic and overseas markets. Management's commentary on geographical expansion, order booking momentum, collection in water business and execution of rail projects will be key monitorables.
	EBITDA	3,869	3,135	23.4	5,232	(26.1)	
	Margin (%)	8.5	8.4	8 bps	8.4	7 bps	
	PBT	2,329	1,640	42.0	3,641	(36.0)	
	Adj. PAT	1,677	1,166	43.8	2,657	(36.9)	
Kirkoskar Pneumatic Company	Sales	3,135	2,753	13.9	5,916	(47.0)	We expect KKPC to register a revenue growth of ~14% YoY driven by strong growth across air and refrigeration compressors. EBITDA margin will likely improve by ~30bps due to operating leverage. Management's commentary regarding new product launches, scale up of new products, demand outlook across key end-user industries, and market share gains across product segments will be key monitorables.
	EBITDA	458	393	16.6	1,097	(58.3)	
	Margin (%)	14.6	14.3	34 bps	18.5	-394 bps	
	PBT	428	359	19.0	1,080	(60.4)	
	Adj. PAT	320	269	18.9	839	(61.9)	





Company Name		Q1FY26E	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Remark
<b>Larsen &amp; Toubro</b>	Sales	633,423	551,198	14.9	743,923	(14.9)	We expect L&T to report consolidated revenue growth of ~15% YoY led by ~17% YoY growth in its P&M businesses. EBITDA margin is expected to largely remain flat YoY at ~10.3%. Post Q4FY25 result, L&T has announced orders in the range of ~Rs95bn to ~Rs200bn spread across its power T&D, civil and B&F businesses. Management's commentary on L&T's order prospects in different segments, ordering activity from Middle East, domestic execution pace and performance of developmental projects will be key monitorables.
	EBITDA	65,212	56,153	16.1	82,025	(20.5)	
	Margin (%)	10.3	10.2	11 bps	11.0	-73 bps	
	PBT	55,612	46,767	18.9	75,392	(26.2)	
	Adj. PAT	34,371	27,857	23.4	51,339	(33.1)	
<b>Praj Industries</b>	Sales	7,824	6,991	11.9	8,597	(9.0)	We expect Praj to register a revenue growth of ~12% YoY driven by strong execution across all segments. EBITDA margin is likely to decline by ~380bps (against a high base in Q1FY25) due to unfavorable revenue mix. Management's commentary on execution pace, order intake for Genx, and export order booking will be key monitorables.
	EBITDA	673	868	-22.5	754	(10.7)	
	Margin (%)	8.6	12.4	-381 bps	8.8	-17 bps	
	PBT	575	789	-27.1	583	(1.3)	
	Adj. PAT	431	560	-23.0	398	8.3	
<b>Siemens*</b>	Sales	42,154	37,628	12.0	42,590	(1.0)	We expects Siemens ltd to report a revenue growth of ~12% YoY driven by strong execution in Smart Infra and Mobility segments. EBITDA margin will likely decline by ~70bps YoY due to higher operating expenses. Order inflows are expected to be supported by rising investments in Metro & Railways, as well as in data centers, electronics, and the semiconductor sectors. Management's commentary on private capex and demand outlook in its digital industries and LVM segments will remain key monitorables.
	EBITDA	5,143	4,855	5.9	5,301	(3.0)	
	Margin (%)	12.2	12.9	-70 bps	12.4	-25 bps	
	PBT	5,773	5,652	2.1	6,107	(5.5)	
	Adj. PAT	4,330	4,343	(0.3)	4,705	(8.0)	
<b>Thermax</b>	Sales	24,238	21,844	11.0	30,849	(21.4)	We expect Thermax to report a revenue growth of ~11% driven by strong growth across Industrial products and Chemicals segments. EBITDA margin likely to be improved by ~60bps on the back of favorable mix and employee cost leverage. Management's commentary regarding project execution in Industrial Infra segment, performance of FEPL and TOESL and order prospects will be key monitorable.
	EBITDA	1,721	1,412	21.9	2,997	(42.6)	
	Margin (%)	7.1	6.5	64 bps	9.7	-261 bps	
	PBT	1,871	1,617	15.7	2,999	(37.6)	
	Adj. PAT	1,352	1,158	16.8	2,057	(34.3)	
<b>Triveni Turbine</b>	Sales	5,457	4,633	17.8	5,380	1.4	We expect Triveni to post revenue growth of ~18% YoY driven by strong execution across both products and aftermarket segments in domestic as well as export markets. EBITDA margin will likely improve by ~40bps owing to better operating leverage. Management's commentary order finalization, enquiry generation and overall demand environment in both domestic as well as export markets will be key monitorables.
	EBITDA	1,146	956	19.9	1,204	(4.8)	
	Margin (%)	21.0	20.6	36 bps	22.4	-138 bps	
	PBT	1,294	1,078	20.0	1,321	(2.0)	
	Adj. PAT	967	800	20.8	939	3.0	
<b>Voltamp Transformers</b>	Sales	4,419	4,282	3.2	6,248	(29.3)	We expect Voltamp to report a modest revenue growth of ~3% YoY primarily due to normalizing realizations. EBITDA margin is expected to contract by ~60bps due to lower gross margin. The management's commentary regarding volume growth, competitive intensity and pricing pressure will be key areas to monitor.
	EBITDA	756	758	-0.3	1,164	(35.1)	
	Margin (%)	17.1	17.7	-60 bps	18.6	-153 bps	
	PBT	968	1,013	-4.4	1,293	(25.1)	
	Adj. PAT	746	794	-6.1	968	(23.0)	

Source: Company, PL

\* Y/e Dec / # Y/e Sep

Exhibit 17: Valuation Summary

Company Names	S/ C	Rating	CMP (Rs)	TP (Rs)	MCap (Rs bn)	Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)				RoE (%)				PE (x)			
						FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E
ABB India*	S	BUY	5,840	6,851	1,237.5	104.5	121.9	138.3	157.7	14.9	23.1	24.5	27.9	12.5	18.7	20.1	23.0	58.9	88.5	95.0	108.8	22.9	28.8	26.2	25.5	99.1	66.0	61.5	53.7
Apar Industries	C	Acc	8,600	7,825	345.4	161.5	185.8	225.9	264.0	15.2	15.5	18.3	21.8	8.3	8.2	9.8	11.8	205.4	204.5	244.4	294.5	27.0	19.6	20.3	21.1	41.9	42.1	35.2	29.2
Bharat Electronics	S	HOLD	422	374	3,084.7	201.7	236.6	273.8	323.4	50.0	67.7	74.0	87.0	40.2	52.9	58.1	68.4	5.5	7.2	8.0	9.4	27.1	29.6	26.9	26.5	76.7	58.3	53.1	45.1
BEML	C	Hold	4,522	4,142	188.3	40.5	40.2	47.6	59.7	4.4	5.1	6.6	8.9	2.8	2.9	4.3	5.9	67.7	70.2	102.6	142.8	11.1	10.5	14.0	17.2	66.8	64.4	44.1	31.7
BHEL	S	HOLD	258	237	898.7	238.9	283.4	389.4	474.6	6.1	12.4	32.7	56.8	2.6	5.1	19.5	37.5	0.7	1.5	5.6	10.8	1.0	2.1	7.5	13.1	345.8	175.2	46.2	23.9
Carborundum Universal	C	HOLD	994	1,028	189.2	47.0	48.9	51.8	57.3	7.4	7.1	6.7	7.9	4.6	3.6	3.8	4.6	24.2	18.7	19.8	24.2	15.5	10.7	10.3	11.6	41.0	53.3	50.1	41.1
Elgi Equipments	C	Acc	535	559	169.6	32.2	35.1	38.6	43.4	4.9	5.2	6.1	7.1	3.1	3.5	4.1	4.8	9.8	11.1	12.9	15.1	20.9	20.1	20.2	20.0	54.3	48.4	41.3	35.4
Engineers India	C	Acc	242	250	135.8	32.8	30.9	40.2	48.1	3.0	4.3	5.7	7.1	4.0	5.0	6.0	7.2	7.2	8.8	10.7	12.7	19.1	20.2	21.4	23.0	33.7	27.3	22.6	19.0
GE Vernova T&D India	S	Acc	2,383	2,005	610.1	31.7	42.9	59.1	75.5	3.2	8.3	11.4	14.7	1.8	6.2	7.9	10.3	7.1	24.3	30.7	40.1	15.6	41.3	38.4	38.3	337.0	97.9	77.6	59.4
Grindwell Norton	C	Hold	1,753	1,739	194.1	27.0	28.2	30.6	34.2	5.4	5.3	5.7	6.5	4.0	3.8	4.1	4.8	36.3	34.4	37.4	43.5	20.8	17.7	17.5	18.4	48.3	50.9	46.8	40.3
Harsha Engineers International	C	Acc	405	398	36.9	13.9	14.1	15.2	16.8	1.7	1.7	2.2	2.5	1.1	1.2	1.4	1.7	12.2	12.8	15.9	19.0	9.9	9.6	11.0	11.8	33.1	31.5	25.4	21.3
Hindustan Aeronautics	C	Acc	5,003	5,500	3,345.5	298.3	309.8	337.8	385.8	91.9	96.1	103.1	114.0	70.7	83.6	84.7	92.0	105.7	125.0	126.7	137.5	26.8	26.1	22.3	20.8	47.3	40.0	39.5	36.4
Ingersoll-Rand (India)	S	BUY	4,045	4,522	127.7	12.0	13.4	15.3	17.6	2.7	3.4	3.8	4.4	2.2	2.7	2.9	3.4	70.4	84.7	93.0	107.7	38.4	45.0	45.5	47.4	57.4	47.7	43.5	37.6
KEC International	C	Acc	878	911	233.7	199.1	218.5	250.9	290.3	12.1	15.0	21.0	26.0	3.5	5.5	9.9	13.5	13.0	20.7	37.1	50.6	8.8	11.7	17.1	19.8	67.4	42.3	23.6	17.3
Cummins India	S	BUY	3,478	3,647	964.1	89.6	103.4	116.6	132.7	17.6	20.7	22.9	26.0	16.6	19.1	21.0	24.1	60.0	68.8	75.9	86.8	28.8	28.9	27.7	27.7	58.0	50.6	45.8	40.1
Kalpataru Projects International	S	Acc	1,190	1,268	203.2	167.6	188.9	231.4	280.6	13.7	15.9	20.2	25.7	5.6	6.7	8.9	12.1	32.7	39.3	52.0	70.6	10.1	10.4	11.7	14.3	36.4	30.2	22.9	16.8
Kirloskar Pneumatic Company	C	BUY	1,412	1,636	91.6	13.2	16.4	19.0	22.4	2.0	2.9	3.5	4.3	1.4	2.2	2.5	3.0	21.8	33.2	38.8	46.7	16.5	21.3	21.2	21.8	64.6	42.6	36.4	30.2
Larsen & Toubro	C	BUY	3,607	4,037	4,959.6	2211.1	2557.3	2957.2	3370.1	234.9	264.3	317.8	384.4	129.7	147.1	185.5	232.2	94.3	107.0	134.9	168.8	14.8	16.0	17.4	18.5	38.3	33.7	26.7	21.4
Praj Industries	C	BUY	497	545	91.4	34.7	32.3	35.5	41.7	3.7	3.1	3.5	4.5	2.8	2.0	2.3	3.1	15.4	10.8	12.8	17.0	24.1	14.9	16.1	19.0	32.2	46.1	38.9	29.2
Siemens#	C	Acc	3,291	3,497	1,171.6	192.8	160.8	172.9	197.6	17.2	21.2	22.5	26.2	14.1	17.3	19.0	21.7	39.7	48.6	53.3	60.9	11.4	12.2	11.8	12.2	83.0	67.7	61.7	54.0
Thermax	C	Acc	3,435	3,629	409.3	93.2	103.9	117.1	130.8	8.0	9.1	10.5	12.4	5.9	6.3	7.9	8.9	49.5	53.2	66.2	74.5	14.2	13.5	15.0	15.0	69.4	64.5	51.8	46.1
Triveni Turbine	C	BUY	640	772	203.5	16.5	20.1	24.9	32.4	3.2	4.4	5.6	7.3	2.7	3.6	4.7	6.1	8.5	11.2	14.8	19.3	31.3	33.3	35.3	36.3	75.6	57.0	43.1	33.2
Voltamp Transformers	S	BUY	9,420	10,285	95.3	16.2	19.3	19.4	23.6	3.2	3.7	3.5	4.1	3.1	3.3	3.3	3.7	303.8	321.6	325.7	367.3	25.0	22.1	19.4	19.0	31.0	29.3	28.9	25.6

Source: Company, PL \* Y/e Dec / # Y/e Sep S=Standalone / C=Consolidated / Acc=Accumulate

Some stocks have variation from our rating system concerning target prices and upsides given increased market volatility. Stocks in which we have a long-term positive outlook, the TP and rating has not been changed as well. We shall review the same at the time of the results.

Exhibit 18: Change in Estimates

Company Names	Rating		Target Price			Sales						PAT						EPS					
						FY26E			FY27E			FY26E			FY27E			FY26E			FY27E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
ABB India*	BUY	BUY	6,851	6,851	0.0%	138,290	138,290	0.0%	157,662	157,662	0.0%	20,128	20,128	0.0%	23,045	23,045	0.0%	95.0	95.0	0.0%	108.8	108.8	0.0%
Apar Industries	Acc	Acc	7,825	7,825	0.0%	225,874	225,874	0.0%	264,003	264,003	0.0%	9,817	9,817	0.0%	11,828	11,828	0.0%	244.4	244.4	0.0%	294.5	294.5	0.0%
Bharat Electronics	HOLD	HOLD	374	374	0.0%	273,800	273,800	0.0%	323,355	323,355	0.0%	58,147	58,147	0.0%	68,383	68,383	0.0%	8.0	8.0	0.0%	9.4	9.4	0.0%
BEML	Hold	Hold	4,142	4,142	0.0%	47,615	47,615	0.0%	59,731	59,731	0.0%	4,273	4,273	0.0%	5,948	5,948	0.0%	102.6	102.6	0.0%	142.8	142.8	0.0%
BHEL	HOLD	HOLD	237	237	0.0%	389,361	389,361	0.0%	474,632	474,632	0.0%	19,456	19,456	0.0%	37,532	37,532	0.0%	5.6	5.6	0.0%	10.8	10.8	0.0%
Carborundum Universal	HOLD	HOLD	1,028	1,028	0.0%	51,801	51,801	0.0%	57,331	57,331	0.0%	3,772	3,772	0.0%	4,608	4,608	0.0%	19.8	19.8	0.0%	24.2	24.2	0.0%
Elgi Equipments	Acc	Acc	559	559	0.0%	38,638	38,638	0.0%	43,371	43,371	0.0%	4,104	4,104	0.0%	4,791	4,791	0.0%	12.9	12.9	0.0%	15.1	15.1	0.0%
Engineers India	Acc	Acc	250	250	0.0%	40,230	40,230	0.0%	48,094	48,094	0.0%	6,013	6,013	0.0%	7,166	7,166	0.0%	10.7	10.7	0.0%	12.7	12.7	0.0%
GE Vernova T&D India	Acc	Acc	2,005	2,005	0.0%	59,137	59,137	0.0%	75,511	75,511	0.0%	7,864	7,864	0.0%	10,265	10,265	0.0%	30.7	30.7	0.0%	40.1	40.1	0.0%
Grindwell Norton	Hold	Hold	1,739	1,739	0.0%	30,594	30,594	0.0%	34,180	34,180	0.0%	4,146	4,146	0.0%	4,814	4,814	0.0%	37.4	37.4	0.0%	43.5	43.5	0.0%
Harsha Engineers International	Acc	Acc	398	398	0.0%	15,176	15,176	0.0%	16,834	16,834	0.0%	1,449	1,449	0.0%	1,727	1,727	0.0%	15.9	15.9	0.0%	19.0	19.0	0.0%
Hindustan Aeronautics	Acc	Acc	5,500	5,500	0.0%	337,812	337,812	0.0%	385,838	385,838	0.0%	84,721	84,721	0.0%	91,970	91,970	0.0%	126.7	126.7	0.0%	137.5	137.5	0.0%
Ingersoll-Rand (India)	BUY	BUY	4,522	4,522	0.0%	15,316	15,316	0.0%	17,601	17,601	0.0%	2,936	2,936	0.0%	3,399	3,399	0.0%	93.0	93.0	0.0%	107.7	107.7	0.0%
KEC International	Acc	Acc	911	911	0.0%	250,901	250,901	0.0%	290,282	290,282	0.0%	9,882	9,882	0.0%	13,476	13,476	0.0%	37.1	37.1	0.0%	50.6	50.6	0.0%
Cummins India	BUY	BUY	3,647	3,646	0.0%	116,624	116,610	0.0%	132,710	132,668	0.0%	21,036	21,033	0.0%	24,071	24,063	0.0%	75.9	75.9	0.0%	86.8	86.8	0.0%
Kalpataru Projects International	Acc	Acc	1,268	1,268	0.0%	231,413	231,427	0.0%	280,542	280,551	0.0%	8,872	8,873	0.0%	12,062	12,063	0.0%	52.0	52.0	0.0%	70.6	70.6	0.0%
Kirloskar Pneumatic Company	BUY	BUY	1,636	1,636	0.0%	18,973	18,973	0.0%	22,394	22,394	0.0%	2,514	2,514	0.0%	3,028	3,028	0.0%	38.8	38.8	0.0%	46.7	46.7	0.0%
Larsen & Toubro	BUY	BUY	4,037	4,004	0.8%	2,957,151	2,957,151	0.0%	3,370,149	3,370,149	0.0%	186,549	185,521	0.6%	233,170	232,158	0.4%	135.7	134.9	0.6%	169.6	168.8	0.4%
Praj Industries	BUY	BUY	545	545	0.0%	35,506	35,506	0.0%	41,732	41,732	0.0%	2,347	2,347	0.0%	3,131	3,131	0.0%	12.8	12.8	0.0%	17.0	17.0	0.0%
Siemens#	Acc	Acc	3,497	3,497	0.0%	172,856	172,856	0.0%	197,579	197,579	0.0%	18,979	18,979	0.0%	21,683	21,683	0.0%	53.3	53.3	0.0%	60.9	60.9	0.0%
Thermax	Acc	Acc	3,629	3,629	0.0%	117,053	117,053	0.0%	130,753	130,753	0.0%	7,894	7,894	0.0%	8,874	8,874	0.0%	66.2	66.2	0.0%	74.5	74.5	0.0%
Triveni Turbine	BUY	BUY	772	772	0.0%	24,943	24,943	0.0%	32,426	32,426	0.0%	4,719	4,719	0.0%	6,139	6,139	0.0%	14.8	14.8	0.0%	19.3	19.3	0.0%
Voltamp Transformers	BUY	BUY	10,285	10,285	0.0%	19,437	19,437	0.0%	23,616	23,616	0.0%	3,295	3,295	0.0%	3,716	3,716	0.0%	325.7	325.7	0.0%	367.3	367.3	0.0%

Source: Company, PL \* Y/e Dec / # Y/e Sep C=Current / P=Previous / Acc=Accumulate

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	BUY	6,851	5,587
2	Apar Industries	Accumulate	7,825	6,928
3	BEML	Hold	4,142	4,280
4	Bharat Electronics	Hold	374	364
5	BHEL	Hold	237	244
6	Carborundum Universal	Hold	1,028	985
7	Cummins India	BUY	3,646	3,169
8	Elgi Equipments	Accumulate	559	500
9	Engineers India	Accumulate	250	230
10	GE Vernova T&D India	Accumulate	2,005	1,880
11	Grindwell Norton	Hold	1,739	1,773
12	Harsha Engineers International	Accumulate	398	374
13	Hindustan Aeronautics	Accumulate	5,500	5,128
14	Ingersoll-Rand (India)	BUY	4,522	3,919
15	Kalpataru Projects International	Accumulate	1,268	1,116
16	KEC International	Accumulate	911	871
17	Kirloskar Pneumatic Company	BUY	1,636	1,230
18	Larsen & Toubro	BUY	4,004	3,324
19	Praj Industries	BUY	545	461
20	Siemens	Accumulate	3,497	3,135
21	Thermax	Accumulate	3,629	3,297
22	Triveni Turbine	BUY	772	560
23	Voltamp Transformers	BUY	10,285	8,195

**PL's Recommendation Nomenclature**

<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

## **ANALYST CERTIFICATION**

### **(Indian Clients)**

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