

Capital Goods

Sector Update

October 26, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
ABB India	Hold	6,358	6,944
Apar Industries	Accumulate	14,801	14,720
Bharat Electronics	Accumulate	363	452
BEML	Accumulate	1,845	2,011
BHEL	Reduce	395	426
Carborundum Universal	Hold	1,129	1,072
Elgi Equipments	Accumulate	522	638
Engineers India	Buy	244	297
GE Vernova T&D India	Buy	3,790	5,928
Grindwell Norton	Accumulate	1,836	2,113
Harsha Engineers International	Accumulate	410	462
Hindustan Aeronautics	BUY	4,775	5,795
Hitachi Energy India	Hold	26,850	34,026
Ingersoll-Rand (India)	Accumulate	3,754	5,029
KEC International	BUY	337	451
Cummins India	Buy	4,386	5,414
Kalpataru Projects International	Accumulate	1,291	1,472
Kirloskar Pneumatic Company	Buy	594	856
Larsen & Toubro	BUY	3,680	4,425
Praj Industries	Buy	249	390
Siemens	HOLD	3,279	3,831
Siemens Energy India	Buy	2,755	3,655
Solar Industries India	BUY	18,683	23,124
Thermax	Reduce	3,157	3,952
Triveni Turbine	Hold	445	615
Voltamp Transformers	BUY	9,811	11,524

Wired for Growth, Priced for Opportunity

Quick Pointers

- T&D capex pipeline, rising power demand and renewable integration support multi-year growth for T&D product and HVDC players
- Long-term prospects remain intact; prefer GVTG, KKC and VAMP

We remain constructive on the structural outlook for the capital goods sector, with our current preference centered on transmission & distribution (T&D) and data center-linked power infrastructure. Both themes are supported by multi-year investment requirements, rising power demand and the need for reliable electricity supply. Following the recent correction in stock prices, we see an opportunity to increase exposure to companies where long-term earnings visibility remains intact, despite near-term cost pressures and global uncertainties. However, we expect gradual price hikes and pass-throughs to mitigate the near-term impact. Accordingly, we favor companies with strong order books, differentiated technological capabilities, capacity to execute incremental demand, and visible earnings growth. Our preferred picks are GVTG (maintain 'BUY'), KKC (upgrade to 'BUY'), and VAMP (upgrade 'BUY'). We believe the recent correction has improved the risk-reward profile of these stocks, offering an opportunity to participate in India's multi-year power infrastructure, and data center investment cycle.

T&D: Structural capex cycle remains intact

Power demand growth, renewable capacity additions, and geographical mismatch between generation and consumption centers are expected to drive sustained investment in transmission infrastructure in India. The planned transmission capex pipeline of ~INR14.4trn through FY36, including 15 HVDC projects and ~42GW opportunity in the Brahmaputra Basin, provides a long runway for equipment manufacturers. In parallel, the transformer market is expected to grow at ~7% CAGR to US\$6.8bn by CY25-30E, with increasing demand for high-voltage power transformers.

We prefer GVTG (42.8x 2-year forward P/E vs. 46.7x for POWERIND) for strong order-book visibility, leadership in HVDC technology, and exposure to energy-transition-led transmission investments. VAMP offers an attractive opportunity in the transformer segment, supported by capacity expansion, established position in industrial transformers and growing service business. Recent stock price correction improves the entry point for both companies, while their structural growth drivers remain intact.

Data centers: Emerging demand driver for power generation

The rapid expansion of AI-led computing, cloud adoption and digital infrastructure is calls for reliable and uninterrupted power. India's installed data center capacity is expected to expand from ~1.6GW in FY26 to ~8GW by FY32E, with ~INR4.6trn investments projected over FY27-32E. The need for backup power and redundancy creates a structural opportunity for high-HP gensets.

KKC remains our preferred play on this theme, supported by its established Powergen franchise, rising data center exposure, and opportunities in the distribution business. We expect the data center opportunity to support a ~17% revenue CAGR over FY26–29E, providing an incremental growth alongside demand from its other end-user segments.

Exhibit 1: PL's capital goods universe offers strong earnings growth with improving return ratios

	MCap (INR bn)	CAGR (FY26-29E)			RoE (%)			RoCE (%)		
		Revenue	EBITDA	PAT	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
ABB IN Equity*	1,347	18%	20%	20%	19.9	23.9	24.5	21.9	26.9	27.7
APR IN Equity	595	19%	20%	22%	24.7	23.2	22.6	34.4	32.5	32.1
BEML IN Equity	154	22%	30%	34%	14.7	18.1	19.6	13.8	15.8	17.0
BHE IN Equity	2,653	16%	15%	17%	26.9	26.5	26.4	32.7	32.0	32.1
BHEL IN Equity	1,374	24%	59%	62%	12.6	15.8	17.8	13.0	16.8	19.8
CU IN Equity	215	10%	23%	31%	10.6	11.9	12.7	11.7	13.4	14.6
KKC IN Equity	1,216	17%	17%	17%	31.1	31.4	32.3	31.6	32.3	33.1
ELEQ IN Equity	165	13%	17%	17%	20.3	20.0	19.6	23.9	23.7	23.3
ENGR IN Equity	137	18%	31%	26%	21.5	23.9	25.3	18.1	21.8	23.7
GVTD IN Equity	970	35%	30%	29%	47.7	43.5	45.0	60.8	56.1	58.5
GWN IN Equity	203	13%	15%	16%	18.5	18.9	19.3	20.4	20.9	21.5
HARSHA IN Equity	37	15%	17%	19%	12.2	12.7	14.6	13.4	14.3	15.5
POWERIND IN Equity	1,197	36%	43%	40%	27.9	29.3	27.0	32.8	35.0	32.4
HNAL IN Equity	3,193	15%	14%	9%	21.4	20.9	19.7	11.0	12.8	12.6
INGR IN Equity	118	17%	19%	19%	49.3	52.7	51.7	58.5	62.8	61.3
KPIL IN Equity	221	16%	19%	22%	13.5	15.2	16.3	16.2	18.7	19.7
KECI IN Equity	90	12%	17%	26%	9.3	12.6	16.3	8.8	11.1	13.3
KKPC IN Equity	77	16%	15%	14%	21.6	21.6	21.0	26.2	25.9	25.2
LT IN Equity	5,062	13%	15%	17%	15.4	17.3	17.2	10.8	13.0	13.6
PRJ IN Equity	46	16%	48%	109%	13.4	17.5	18.7	12.2	17.3	19.0
SIEM IN Equity	1,167	18%	23%	25%	13.6	16.2	16.4	13.6	16.8	17.6
ENRIN IN Equity [#]	981	22%	23%	23%	30.9	29.6	28.8	38.3	37.5	35.6
SOIL IN Equity	1,691	28%	30%	30%	31.8	29.5	26.9	33.5	32.6	31.1
TMX IN Equity	376	17%	22%	23%	11.9	14.1	15.8	9.3	10.9	12.0
TRIV IN Equity	141	16%	18%	19%	24.9	27.6	27.1	27.8	31.5	31.2
VAMP IN Equity	99	17%	15%	15%	18.1	18.8	19.2	19.3	20.4	21.1

Source: Company, PL; Note: *Y/e Dec, [#]Y/e Sep

Exhibit 2: Capital goods stocks offer selective valuation opportunities, many companies trading at discount to 5-year average forward P/E multiples

	Valuation			EV/EBITDA		
	5-yr Avg Best P/E blended 2-yr fwd	2-yr fwd P/E (Sep'28E)	Premium/Discount to 5-yr Avg Best P/E blended 2-yr fwd	FY27E	FY28E	FY29E
ABB IN*	61.1	53.6	-12%	62.3	44.3	36.1
APR IN	23.4	34.4	47%	22.3	20.1	17.6
BEML IN	23.5	22.2	-6%	22.5	17.2	13.7
BHE IN	29.3	29.9	2%	27.9	24.0	20.5
BHEL IN	25.0	23.6	-6%	25.8	18.3	13.7
CU IN	32.2	38.2	19%	24.7	20.2	17.4
KKC IN	36.0	34.3	-5%	38.3	31.8	26.9
ELEQ IN	38.6	26.7	-31%	22.2	18.8	16.1
ENGR IN	14.9	14.8	-1%	18.9	14.3	11.4
GVTD IN	-	42.8	-	45.4	35.1	24.5
GWN IN	42.8	33.4	-22%	28.6	25.0	21.5
HARSHA IN	19.8	15.7	-21%	12.9	10.8	9.1
POWERIND IN	58.8	46.7	-21%	52.3	36.8	29.4
HNAL IN	23.3	28.5	22%	24.8	20.6	17.4
INGR IN	-	29.0	-	29.1	24.1	20.5
KPIL IN	12.4	13.4	8%	9.9	8.0	6.8
KECI IN	14.1	8.5	-40%	8.6	6.5	5.1
KKPC IN	25.7	20.9	-19%	17.4	14.7	12.7
LT IN	20.9	19.7	-6%	17.6	13.7	12.0
PRJ IN	24.9	15.2	-39%	14.0	9.7	8.0
SIEM IN	48.0	40.6	-15%	46.5	34.3	28.4
ENRIN IN [#]	48.4	35.8	-26%	32.7	25.7	20.7
SOIL IN	45.1	50.6	12%	45.1	35.1	28.6
TMX IN	41.0	37.1	-9%	35.5	26.8	21.9
TRIV IN	34.1	25.4	-26%	28.5	21.2	17.8
VAMP IN	-	22.3	-	24.6	20.2	16.9

 Source: Company, PL; Note: *Y/e Dec, [#]Y/e Sep

Our Top Picks in T&D and Data Center Thematics

GE Vernova T&D India: We believe GVTD's long-term growth prospects remain intact given 1) its strong order book, which provides multi-year strong revenue visibility; 2) it being strongly positioned to capitalize on the robust HVDC pipeline in India; 3) its "Asia for Asia" strategy driving localization efforts and high-margin export orders; and 4) it being positioned to benefit from the energy-transition-led transmission capex cycle. We expect the company to report revenue/adj PAT CAGR of 35.1%/28.8% over FY26-29E. We maintain 'BUY' rating on the stock valuing it at PE of 65x Sep'28E, and arriving at TP of INR5,928.

Cummins India: We remain constructive on KKC's long-term prospects, supported by 1) the strong domestic demand for Powergen solutions across end-user segments, and rising demand from data centers, where reliable backup power is critical; 2) its stable margin profile, supported by a favorable product mix and sustained demand; and 3) the significant growth potential in its Distribution business, driven by opportunities to expand market reach and deepen customer penetration. We expect the company to report revenue/adj PAT CAGR of 17.1%/17.0% over FY26-29E. We roll forward to Sep'28E and upgrade our rating from 'HOLD' to 'BUY' given the recent correction in stock price, valuing the stock at PE of 43x Sep'28E (45x Mar'28E) with revised TP of INR5,414 (INR5,323 earlier).

Voltamp Transformers: We remain positive on VAMP considering its expansion plan, with volume set to grow ~16% CAGR over FY26-29E, market leading position in industrial transformers, growing high-margin service business, starting of commercial production of Unit 3, and robust long-term demand outlook. We expect the company to report revenue/adj PAT CAGR of 17.4%/15.2% over FY26-29E. We roll forward to Sep'28E and upgrade our rating from 'Accumulate' to 'BUY' given the recent correction in stock price, valuing it at PE of 26x Sep'28E (27x Mar'28E) with revised TP of INR11,524 (INR11,003 earlier).

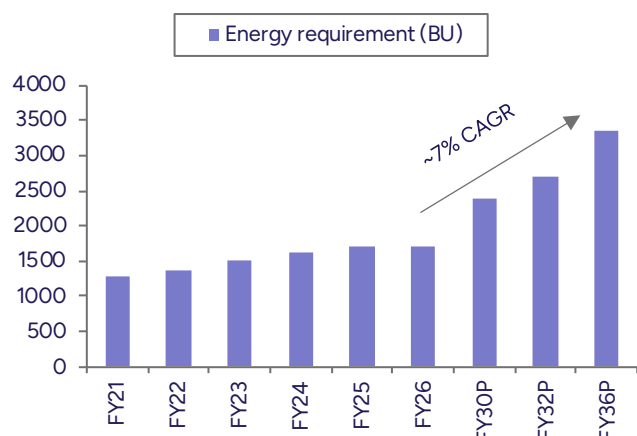
Powering the Grid: India's T&D Equipment Investment Cycle

Rising power demand to drive multi-year investment across the power value chain

India's electricity demand is expected to witness sustained growth over FY26–36, driven by rising per-capita consumption, industrial expansion and the emergence of new electricity-intensive applications. Per-capita electricity consumption increased from 1,010kWh in FY15 to an estimated 1,630kWh in FY26, indicating significant headroom for further growth as household incomes, appliance penetration and electricity access improve.

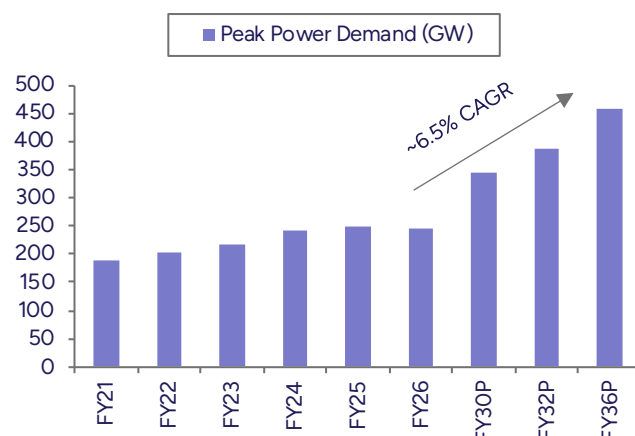
Energy requirement is expected to grow at ~7% CAGR over FY26–36 (as per CEA), supported by industrial and commercial consumers, alongside incremental demand from manufacturing, metals, railways, data centers, electric mobility, green hydrogen and digital infrastructure. Peak power demand is projected to rise from 245GW in FY26 to 459GW by FY36, translating into ~6.5% CAGR. The growing concentration of electricity consumption during peak periods, particularly due to cooling requirements and electrification of end-use applications, will necessitate greater system flexibility and reliable power supply.

Exhibit 3: Energy requirement to grow ~7% CAGR over FY26–36E



Source: CEA, PL

Exhibit 4: Peak power demand to grow ~6.5% CAGR over FY26–36E



Source: CEA, PL

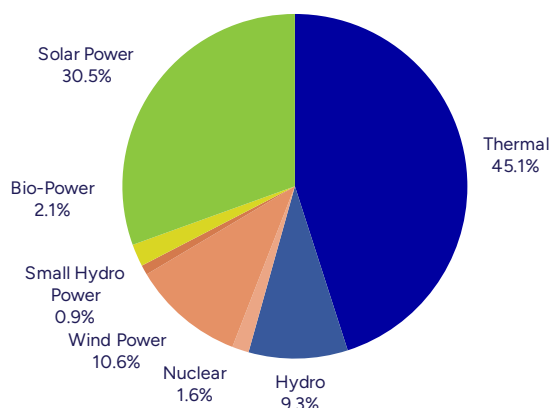
Meeting the projected rise in electricity demand will necessitate a substantial expansion in India's installed generation capacity, which is expected to increase from ~555GW as of Aug'26 to ~1,121GW by FY36, implying annual capacity additions of ~60GW. Renewable energy is expected to account for ~80% of incremental capacity additions, taking its share of **total installed capacity to ~59% by FY36**. However, the rising penetration of intermittent renewable sources will increase the need for grid flexibility, energy storage and balancing solutions to manage generation variability and maintain grid stability. This, in turn, will drive investments across flexible generation, transmission infrastructure, HVDC systems and storage enabling efficient evacuation of renewable power from resource-rich regions to demand centers while ensuring reliable and uninterrupted power supply.

Exhibit 5: Installed power generation to increase by ~3x to ~1,121GW by FY36E

Year	FY21	FY22	FY23	FY24	FY25	FY26	FY32	FY36
Fossil (GW)	235	236	237	243	247	250	311	335
Coal (including Lignite)	209	211	212	218	222	229	291	315
Gas	25	25	25	25	25	21	20	20
Diesel							-	-
Non-Fossil (GW)	147	163	179	199	228	283	566	786
Solar	40	54	67	82	106	150	356	509
Wind	39	40	43	46	50	56	113	155
Large Hydro	46	47	47	47	48	51	61	78
Nuclear	7	7	7	7	8	9	16	22
Other RE	15	16	17	16	17	17	20	22
Total	382	399	416	442	475	533	877	1,121

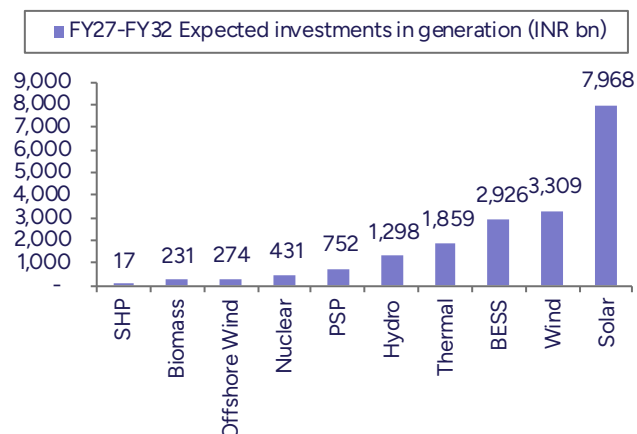
Source: CEA, PL

Exhibit 6: India's installed generation capacity as of Oct'26



Source: CEA, PL

Exhibit 7: ~INR19.1trn of generation investments expected by FY32E



Source: CEA, PL

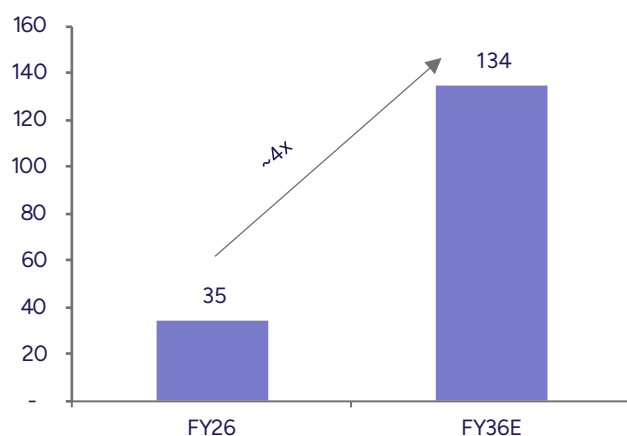
The geographical mismatch between renewable generation centers and consumption hubs, coupled with rising peak demand, is expected to accelerate investments in intra- and inter-state transmission infrastructure. The Ministry of Power envisages transmission systems to integrate over 600GW of non-fossil capacity by 2032 and over **900GW by 2036**. CEA's transmission roadmap outlines a **long-term investment opportunity of INR14trn+**, including ~INR7.9trn of transmission capex associated with the 900GW non-fossil integration plan by FY36. Within this broader opportunity, HVDC transmission is emerging as a key investment theme, with 15 projects in the pipeline. Furthermore, the transmission network is planned to be expanded from 5.06 lakh ckm in FY26 to 7.87 lakh ckm by FY36E, and **transformation capacity from 1,464GVA to 3,200GVA**. Additionally, the Brahmaputra Basin presents opportunity for 6 more HVDC projects, with an estimated investment of ~INR6.4trn. Together, these projects represent robust order visibility for players such as GE Vernova, Hitachi and Siemens Energy.

Exhibit 8: Transmission capex pipeline of ~INR14trn over FY27-36E

Transmission Plan	Transmission Line (ckm)	Transformation Capacity (MVA)	Capex (INR bn)
Transmission plan for 900GW RE by FY36	1,37,500	8,27,600	7,933
Transmission plan for Brahmaputra Basin			
Up to 2035	9,922	41,760	1,911
Beyond 2035	21,475	68,175	4,520
Total			14,362

Source: CEA, PL

Exhibit 9: India HVDC capacity to rise ~4x by FY36E (GW)



Source: CEA, PL

Exhibit 10: Transmission capacity to rise ~2x by FY36E

CEA Upgraded the mid-term plan (up to 2035-36)			
	As of Mar'26	Earlier Plan (till 2031-32)	Upgraded plan (till 2035-36)
Electricity Demand (TWh)	1630	2474	3,365
Generation (GW)	533	997	1,121
Transmission (GVA)	1,464	2412	3,200

Source: CEA, PL

Exhibit 11: GE Vernova India, Hitachi Energy India and Siemens Energy (VSC tech) likely to benefit from HVDC pipeline in India

Sr. No.	India HVDC Project Pipeline - FY36	Voltage Level	Capacity (MW)	Technology Type	Est. Cost (INR mn)	Award Date
1	Pusauli HVDC Upgradation	±800kV	1000	VSC	34,400	FY28
2	Gazuwaka HVDC Refurbishment	-	1000	LCC	-	FY28
3	Paradeep - Andaman	±320kV	500	VSC	3,79,810	FY28
4	India - Sri Lanka	±320kV	1000	VSC	99,000	FY28
5	Lakadia - Alephata	±800kV	6000	LCC	82,380	Under review
6	Ramgarh -II (Rajasthan) to Aurangabad (Maharashtra)	±800 kV	6000	-	-	Under Planning
7	Bhadla IV (Rajasthan) to Raigarh Kotra II (Maharashtra)	±800 kV	6000	-	-	Under Planning
8	Barmer -III(Rajasthan)	-	6000	-	-	Under Planning
9	Jalore/Sirohi/Sanchore (Rajasthan)	-	6000	-	-	Under Planning
10	Bhadla V (Rajasthan)	-	6000	-	-	Under Planning
11	Barmer IV (Rajasthan)	-	6000	-	-	Under Planning
12	Ramgarh -III (Rajasthan)	-	6000	--	--	Under Planning
13	Merta-III/Pali (Rajasthan)	-	6000	-	-	Under Planning
14	Bhadla -VI (Rajasthan)	-	6000	-	-	Under Planning
15	Bikaner -VI (Rajasthan)	-	6000	-	-	Under Planning

Source: CEA, PL

Exhibit 12: ~42GW HVDC opportunity in Brahmaputra Basin up to and beyond FY36

Sr. No.	Brahmaputra Basin HVDC pipeline	Voltage Level	Capacity (MW)	Technology Type	Est. Cost (INR bn)	Planned Commissioning
1	Roing	±800 kV	6000	LCC	1,911	By 2035
2	Gogamukh	±800 kV	6000	-		By 2035
3	Namsai	±800 kV	6000	-	4,520	After 2035
4	Niglok	±800 kV	6000	-		After 2035
5	Silapathar	±800 kV	12000	-		After 2035
6	Rowta	±800 kV	6000	-	6,430	After 2035
	Total		42000			

Source: CEA, PL

Exhibit 13: GE Vernova T&D trading at favorable valuation compared to Hitachi Energy

Particulars	CAGR (FY26-29E)			Order book to bill	RoCE			RoE			Valuation	
	Revenue	EBITDA	PAT		FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	5-yr Avg Best P/E blended 2-yr fwd	2-yr Fwd P/E
Hitachi Energy India	36%	43%	40%	3.5x	33%	35%	32%	28%	29%	27%	58.8x	45.7x
GE Vernova India	35%	30%	29%	4.9x	61%	56%	59%	48%	44%	45%	-	41.8x
Siemens Energy India	22%	23%	23%	2.0x	38%	38%	36%	31%	30%	29%	48.4x	34.5x

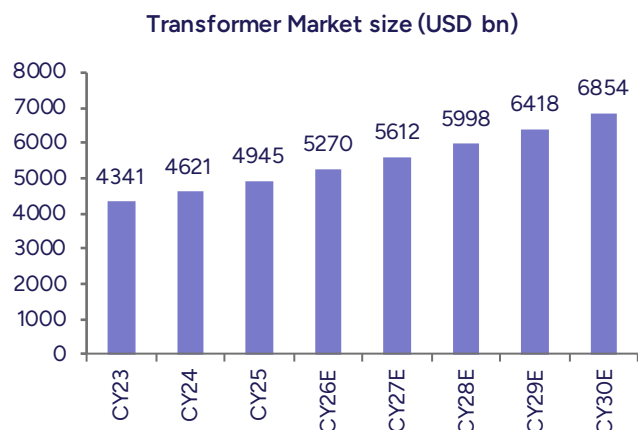
Source: CEA, PL

GVTD offers a superior risk-reward profile, supported by a robust 4.9x order book-to-bill ratio and strong earnings growth, with **revenue/EBITDA/PAT projected to log 35%/30%/29% CAGR over FY26–29E**. Profitability remains healthy, with strong RoCE/RoE of 61%/56% compared to its peers, while its leadership in HVDC presents a strong growth runway. GVTD trades at 34.6x on FY29E, offering a more attractive forward valuation than Hitachi Energy India at 41.2x, alongside stronger order-book coverage and return ratios.

Transformers: Crucial piece of the T&D puzzle

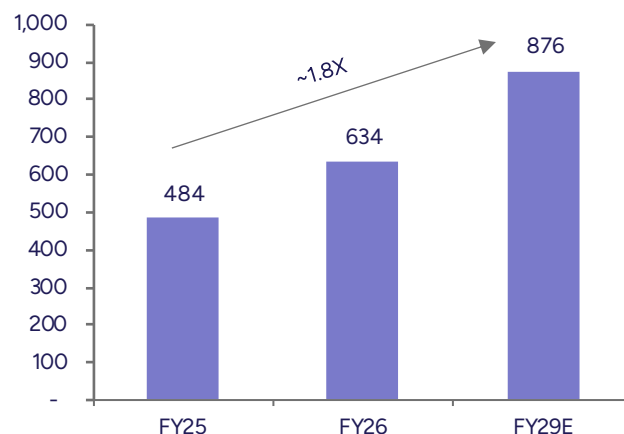
Indian transformer market is anticipated to clock ~7.0% CAGR over CY25-30E, reaching US\$6.8bn, driven by robust growth in power transformers (220kV–765kV). The **share of power transformers within the overall market is likely to rise to 54% in FY31E from ~50% in FY26**. In India, more emphasis is being put on 765kV substation capacity additions. Despite the fragmented nature of the transformer industry, the manufacturing landscape for power transformers, particularly those exceeding 220kV, is relatively concentrated. Key players like **CG Power, BHEL, Bharat Bijlee, Siemens Energy, GE Vernova T&D, TARIL, Hitachi Energy India, Toshiba T&D, and TBEA Energy India** collectively possess ~348GVA of manufacturing capacity for high-voltage and above power transformers.

Exhibit 14: India's transformer market to log ~7% CAGR in CY25-30E



Source: Industry data, PL

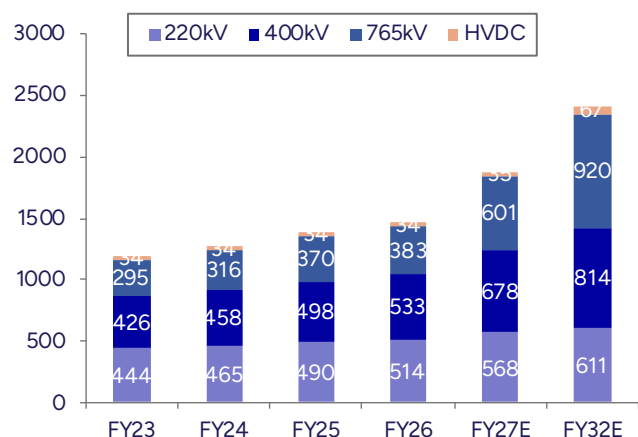
Exhibit 15: Transformer capacity to rise ~2x by FY29E



Source: Industry data, PL

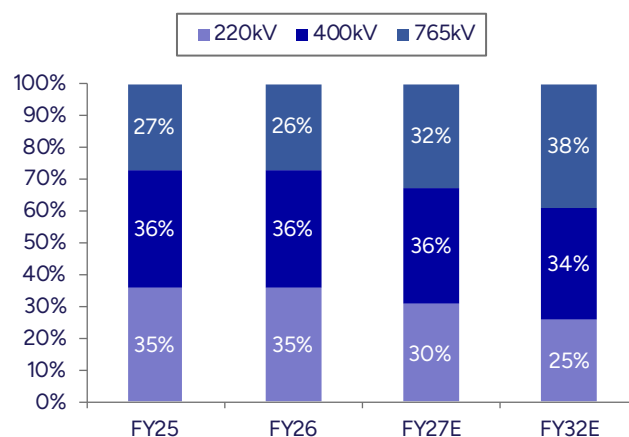
Transformer manufacturing sector is poised for strong growth, with **~240GVA of cumulative capacity expected to be added over FY26-29E**, reaching a total transformer manufacturing capacity of **~876GVA by FY29** from **current ~634GVA**, supported by continued investments in infrastructure and technology. This expansion will strengthen manufacturers' ability to meet rising demand for energy-efficient and reliable transmission solutions, supporting the development of resilient power grids.

Exhibit 16: Substation capacity to grow ~9% CAGR over FY26-32E



Source: CEA, PL

Exhibit 17: 765kV to see higher mix in 2027 & 2032



Source: CEA, PL

Exhibit 18: Competitive landscape of India power T&D equipment manufacturers

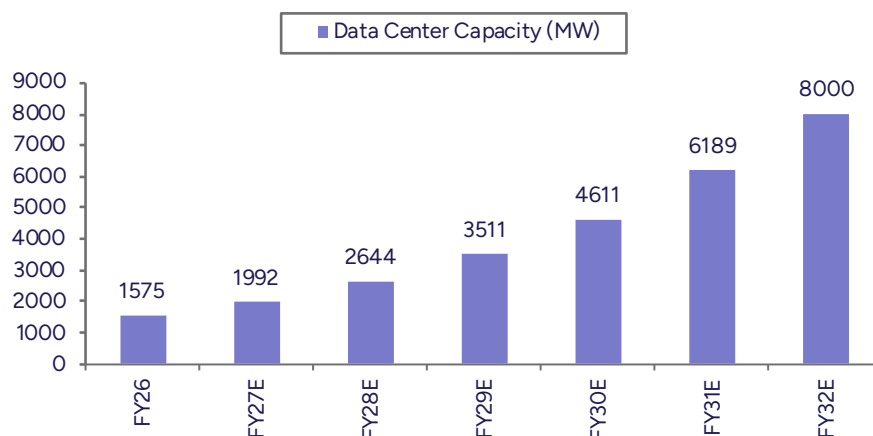
Product / Capability	Kanohar Electricals Ltd	Hitachi Energy India Ltd	GE Vernova T&D India	CG Power & Industrial Solutions Ltd	Transformers & Rectifiers (India)	Siemens Energy	BHEL	Schneider Electric Infrastructure Ltd	Voltamp	Atlanta Electricals
765kV Transformers		✓	✓	✓	✓	✓	✓			
765kV Reactors		✓	✓	✓	✓	✓				
400kV Transformers		✓	✓	✓	✓	✓	✓			
STATCOM			✓			✓				
500MVA Auto S. ckt	✓	✓	✓							
HVDC		✓	✓							
400kV Reactors		✓	✓	✓		✓				
Below 220kV Transformers	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Trackside Transformers	✓			✓						
Scott Connected Transformers	✓	✓								
Trackside Auto	✓									
EPC Substations	✓								✓	
EPC Transmission Lines	✓								✓	

Source: Company, PL

Data center boom unlocks massive opportunities

Increasing adoption of AI and IoT, along with growing penetration of 5G, is driving massive demand for faster and more efficient data processing and storage. In FY26, India had the highest installed data center capacity of ~1,575MW in the Asia-Pacific region (excl China), followed by Japan and Australia. This capacity is further expected to be expanded by ~6,425MW over FY27-32, reaching ~8,000MW by the end of FY32E. We expect data center investments to be ~INR4.6trn over FY27-32E. ~9% of data center capex is for power backup DG sets.

Exhibit 19: Cumulative data center capacity to reach ~8GW by FY32E



Source: Industry data, PL

Given the critical need for uninterrupted power supply, increasing data center capacity will drive demand for high-HP gensets, with multiple units required to meet backup and redundancy requirements. Genset manufacturers, particularly **Cummins India and Kirloskar Oil Engines**, are well-positioned to benefit from rising demand for reliable backup power solutions. We expect the data center opportunity to support a ~17% revenue CAGR over FY26–FY29E, driven by rising demand for reliable power backup solutions.

Exhibit 20: Cummins' Data center revenue to jump ~31% CAGR over FY26-29E

Particulars	FY26	FY27E	FY28E	FY29E
DC revenue (INR mn)	15,229	21,777	27,439	34,573
YoY growth		43.0%	26.0%	26.0%
% of Power gen revenue	32%	37%	39%	42%

Source: Company, PL

Exhibit 21: Cummins is trading at a discount to its 5-yr Avg Best P/E blended 2-yr fwd

	CAGR (FY26-29E)			RoE			Valuations	
	Revenue	EBITDA	PAT	FY27E	FY28E	FY29E	5-yr Avg Best P/E blended 2-yr fwd	2-yr fwd P/E
Cummins India	17.1%	17.1%	17.10%	31.1%	31.4%	32.3%	36.0x	34.3x
Kirloskar Oil Engine*	17%	18%	21%	16%	18%	20%	25.9x	21.8x

Source: Company, PL; Note: *Bloomberg estimate

Exhibit 22: Valuation Summary

Company Name	C/S	Rating	CMP (INR)	TP (INR)	Mcap (INR bn)	Sales (INR mn)				EBITDA (INR mn)				Adj. PAT (INR mn)				EPS (INR)				RoE (%)				PE (x)			
						FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E
ABB India*	S	Hold	6,358	6,944	1,347.2	1,25,038	1,46,764	1,72,567	2,05,489	19,738	20,063	27,956	33,906	16,183	16,536	22,927	27,812	76.4	78.0	108.2	131.3	21.7	19.9	23.9	24.5	83.2	81.5	58.8	48.4
Apar Industries	C	Accumulate	14,801	14,720	594.5	2,29,021	2,85,277	3,27,328	3,83,370	18,994	25,763	28,425	32,448	10,193	14,565	16,212	18,547	253.8	362.6	403.6	461.7	20.6	24.7	23.2	22.6	58.3	40.8	36.7	32.1
Bharat Electronics	S	Accumulate	363	452	2,653.4	2,74,796	3,20,861	3,69,211	4,28,966	80,153	91,478	1,05,927	1,23,285	60,485	70,524	82,545	96,276	8.3	9.6	11.3	13.2	27.9	26.9	26.5	26.4	43.9	37.6	32.1	27.6
BEML	C	Accumulate	1,845	2,011	153.6	43,505	54,149	64,932	78,337	5,562	7,148	9,610	12,103	3,236	4,476	6,203	7,844	38.8	53.7	74.5	94.2	11.1	14.7	18.1	19.6	47.5	34.3	24.8	19.6
BHEL	S	Reduce	395	426	1,373.8	3,37,822	4,45,363	5,43,061	6,47,702	23,422	50,415	70,978	94,046	15,780	35,670	51,114	67,446	4.5	10.2	14.7	19.4	6.1	12.6	15.8	17.8	87.1	38.5	26.9	20.4
Carborundum Universal	C	Hold	1,129	1,072	215.1	52,063	55,224	61,273	68,483	5,833	7,787	9,375	10,820	2,705	4,282	5,236	6,083	14.2	22.5	27.5	31.9	7.3	10.6	11.9	12.7	79.5	50.2	41.1	35.4
Elgi Equipments	C	Accumulate	522	638	165.4	39,507	44,665	50,470	57,037	5,791	7,057	8,176	9,354	4,181	4,950	5,778	6,678	13.2	15.6	18.2	21.1	20.4	20.3	20.0	19.6	39.6	33.4	28.6	24.8
Engineers India	C	Buy	244	297	137.3	37,017	42,984	51,744	61,140	4,472	6,448	8,408	10,119	5,047	7,074	8,603	10,084	9.0	12.6	15.3	17.9	17.4	21.5	23.9	25.3	27.2	19.4	16.0	13.6
GE Vernova T&D India	S	Buy	3,790	5,928	970.4	62,063	82,394	1,07,426	1,52,907	16,836	20,393	26,051	36,850	12,808	15,388	19,342	27,363	50.0	60.1	75.5	106.9	57.4	47.7	43.5	45.0	75.8	63.1	50.2	35.5
Grindwell Norton	C	Accumulate	1,836	2,113	203.3	30,732	34,710	39,219	44,430	5,747	6,711	7,622	8,723	4,164	4,980	5,695	6,524	37.6	45.0	51.4	58.9	17.4	18.5	18.9	19.3	48.8	40.8	35.7	31.2
Harsha Engineers International	C	Accumulate	410	462	37.3	16,268	18,537	21,201	24,661	2,456	2,856	3,305	3,900	1,612	1,806	2,102	2,741	17.7	19.8	23.1	30.1	12.1	12.2	12.7	14.6	23.2	20.7	17.8	13.6
Hindustan Aeronautics	C	BUY	4,775	5,795	3,193.4	3,30,888	3,69,595	4,38,754	4,99,600	97,698	1,08,291	1,28,116	1,46,383	91,156	95,107	1,07,658	1,16,805	136.3	142.2	161.0	174.7	24.0	21.4	20.9	19.7	35.0	33.6	29.7	27.3
Hitachi Energy India	S	Hold	26,850	34,026	1,196.8	81,477	1,26,298	1,70,985	2,05,127	12,526	21,344	29,922	36,923	10,286	16,732	23,333	28,447	230.8	375.4	523.5	638.2	21.9	27.9	29.3	27.0	116.3	71.5	51.3	42.1
Ingersoll-Rand (India)	S	Accumulate	3,754	5,029	118.5	13,924	16,531	19,051	22,041	3,334	4,025	4,820	5,621	2,648	3,147	3,780	4,445	83.9	99.7	119.7	140.8	43.2	49.3	52.7	51.7	44.7	37.7	31.3	26.7
KEC International	C	BUY	337	451	89.7	2,35,055	2,64,136	2,98,262	3,34,551	16,586	15,848	20,878	26,597	6,507	5,969	8,837	12,977	24.4	22.4	33.2	48.7	11.3	9.3	12.6	16.3	13.8	15.0	10.1	6.9
Cummins India	S	Buy	4,386	5,414	1,215.7	1,21,432	1,42,102	1,66,157	1,94,878	26,449	30,168	36,189	42,444	24,065	27,390	32,790	38,676	86.8	98.8	118.3	139.5	32.3	31.1	31.4	32.3	50.5	44.4	37.1	31.4
Kalpataru Projects International	S	Accumulate	1,291	1,472	220.5	2,32,101	2,66,691	3,12,123	3,60,621	20,287	23,602	29,183	34,079	10,011	11,757	14,980	18,325	58.6	68.8	87.7	107.3	13.0	13.5	15.2	16.3	22.0	18.8	14.7	12.0
Kirloskar Pneumatic Company	C	Buy	594	856	77.2	17,867	20,943	24,468	27,628	3,571	4,063	4,727	5,388	2,649	2,957	3,472	3,944	20.4	22.8	26.7	30.4	22.6	21.6	21.6	21.0	29.1	26.1	22.2	19.6
Larsen & Toubro	C	BUY	3,680	4,425	5,062.3	28,58,744	31,52,360	36,09,556	41,16,297	2,91,511	3,06,143	3,90,475	4,46,040	1,73,544	1,82,140	2,38,880	2,77,668	126.2	132.4	173.7	201.8	16.8	15.4	17.3	17.2	29.2	27.8	21.2	18.2
Praj Industries	C	Buy	249	390	45.8	31,679	35,771	42,262	49,217	1,518	2,987	4,163	4,897	364	1,875	2,757	3,310	2.0	10.2	15.0	18.0	2.7	13.4	17.5	18.7	125.8	24.4	16.6	13.8
Siemens**	C	HOLD	3,279	3,831	1,167.3	1,74,563	2,06,327	2,47,607	2,90,083	20,243	23,604	31,805	38,001	16,060	19,852	26,754	31,078	45.1	55.8	75.2	87.3	11.6	13.6	16.2	16.4	72.7	58.8	43.6	37.6
Siemens Energy India#	C	Buy	2,755	3,655	980.7	1,00,076	1,23,483	1,50,118	1,80,903	21,564	26,940	33,502	40,463	16,369	20,050	24,709	30,769	46.0	56.3	69.4	86.4	32.6	30.9	29.6	28.8	59.9	48.9	39.7	31.9
Solar Industries India	C	BUY	18,683	23,124	1,690.6	98,377	1,36,400	1,71,693	2,07,332	26,254	36,896	47,164	57,224	16,802	23,843	30,430	37,069	185.7	263.5	336.3	409.6	31.5	31.8	29.5	26.9	100.6	70.9	55.6	45.6
Thermax	C	Reduce	3,157	3,952	376.2	1,06,260	1,22,855	1,44,370	1,70,559	9,581	10,566	14,119	17,397	6,170	6,918	9,074	11,456	51.8	58.1	76.2	96.1	11.8	11.9	14.1	15.8	61.0	54.4	41.5	32.8
Triveni Turbine	C	Hold	445	615	141.4	21,811	24,404	28,729	33,773	4,502	4,761	6,317	7,416	3,612	3,921	5,149	6,059	11.4	12.3	16.2	19.1	27.1	24.9	27.6	27.1	39.1	36.0	27.5	23.3
Voltamp Transformers	S	BUY	9,811	11,524	99.3	21,537	25,284	29,810	34,838	3,708	3,894	4,740	5,661	3,171	3,468	4,123	4,846	313.4	342.8	407.5	478.9	18.8	18.1	18.8	19.2	31.3	28.6	24.1	20.5

Source: Company, PL *Y/e DEC / # Y/e Sep / ** SIEM=FY25 are Proforma Nos. (ex of LVM) C=Consolidated / S=Standalone

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Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ABB India	HOLD	7005	6944
2	Apar Industries	Accumulate	18160	14720
3	BEML	Accumulate	2007	2011
4	Bharat Electronics	Accumulate	378	452
5	BHEL	REDUCE	426	464
6	Carborundum Universal	HOLD	1257	1072
7	Cummins India	HOLD	4872	5323
8	Elgi Equipments	Accumulate	602	638
9	Engineers India	BUY	308	297
10	GE Vernova T&D India	BUY	4316	5928
11	Grindwell Norton	Accumulate	2020	2113
12	Harsha Engineers International	Accumulate	462	462
13	Hindustan Aeronautics	BUY	4746	5795
14	Hitachi Energy India	HOLD	31610	34026
15	Ingersoll-Rand (India)	Accumulate	4089	5029
16	Kalpataru Projects International	Accumulate	1454	1472
17	KEC International	BUY	363	451
18	Kirloskar Pneumatic Company	BUY	696	856
19	Larsen & Toubro	BUY	3702	4425
20	Praj Industries	BUY	300	390
21	Siemens	HOLD	3793	3831
22	Siemens Energy India	BUY	3344	3655
23	Solar Industries India	BUY	20050	23124
24	Thermax	REDUCE	3230	3952
25	Triveni Turbine	HOLD	529	615
26	Voltamp Transformers	Accumulate	10512	11003

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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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