

Capital Goods

Oct-Dec'25 Earnings Preview

T&D & defense driven healthy execution; prolonged tariffs continue to impact order finalizations

We expect our capital goods coverage universe to report mixed performance in Q3FY26 owing to 1) healthy execution momentum across T&D-led projects and product companies, 2) improved execution of robust backlog in defense companies along with strong order visibility supported by geopolitical tensions and recent DAC AoN approvals, 3) sluggishness in export-oriented businesses due to likely delays in dispatches and order finalization on account of tariff and geopolitics-related uncertainties, and 4) continued softness in consumables companies. Overall, we expect Q3FY26 revenue/EBITDA growth of ~14.9%/19.5% YoY (~13.1%/16.5% YoY ex-L&T) driven by healthy execution in T&D related and defense companies. Execution pace, order inflows (OIs), expected pickup in private capex led by taxation and labor policy reforms along with the impact of tariffs and geopolitical tensions on exports businesses of our coverage companies, will remain key monitorables. Our top picks are Hindustan Aeronautics, Larsen & Toubro, GE Vernova T&D India and Voltamp Transformers.

OIs in Q3FY26 are likely to decline YoY due to delays in order finalizations, sluggishness in export markets and front-ended government capex (~59% utilization of FY26BE till Nov'25) preponing some of the orders, partially offset by strong traction in the domestic market for infra verticals such as T&D, B&F and energy transition projects along with defense companies. In Q3FY26, L&T announced OI in the range of Rs145bn-300bn, while EPC companies KEC/Kalpataru have announced OI worth Rs65.4bn/Rs43.4bn till date. BHEL announced an order of Rs66.5bn of EPC packages for thermal power plants, while BEL has announced OI of ~Rs50bn. Order inquiries remain strong driven by traction from power T&D, data centers, railways and defense companies. Meanwhile, key export markets including the Middle East and SAARC are driving export orders for the companies. The recent ~Rs790bn DAC AoN approvals are likely to further support order momentum for defense players over the coming quarters. Despite strong enquiries, we remain watchful of order finalizations for industrial machinery companies amid tariff-related uncertainties.

T&D-related product companies are expected to grow at ~15% YoY driven by ~25%/~47% YoY growth in GVTD/Siemens Energy due to strong domestic T&D demand and execution. Meanwhile, Apar Industries are Voltamp are likely to record muted performance against higher bases. EBITDA margins are likely to remain flattish against slightly higher bases. OI for T&D product companies is expected to be driven by data centers, power T&D, electronics, etc. During the quarter, GVTD received a major HVDC VSC order, strengthening its order book and revenue visibility.

January 7, 2026

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
ABB India*	Acc	5,299	5,540
Apar Industries	Hold	8,184	9,431
Bharat Electronics	HOLD	416	407
BEML	Hold	1,861	1,982
BHEL	HOLD	304	250
Carborundum Universal	HOLD	824	894
Elgi Equipments	Acc	472	561
Engineers India	Buy	205	255
GE Vernova T&D India	Buy	3,151	4,005
Grindwell Norton	Hold	1,576	1,744
Harsha Engineers International	Hold	395	407
Hindustan Aeronautics	BUY	4,525	5,507
Ingersoll-Rand (India)	Acc	3,395	4,271
KEC International	Buy	717	932
Cummins India	Hold	4,148	4,172
Kalpataru Projects International	Buy	1,174	1,494
Kirloskar Pneumatic Company	BUY	1,058	1,620
Larsen & Toubro	BUY	4,157	4,766
Praj Industries	Hold	322	353
Siemens#	Acc	3,134	3,470
Siemens Energy India#	Acc	2,603	3,312
Thermax	Acc	3,069	3,513
Triveni Turbine	Acc	533	609
Voltamp Transformers	BUY	7,720	10,318

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

Acc=Accumulate

Top Picks

Hindustan Aeronautics

Larsen & Toubro

GE Vernova T&D India

Voltamp Transformers

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Industrial machinery companies' revenue growth is expected to remain moderate at ~8% YoY, largely impacted by sluggishness in export markets and likely delay in dispatches amid tariff-related uncertainties. EBITDA margins are likely to improve owing to better operating leverage.

Project companies' revenue is expected to grow ~17% driven by healthy execution of strong order books with strong traction in international markets. EBITDA margins are likely to expand led by better operating leverage and favorable mix. OIs are likely to remain sluggish for Q3FY26 due to finalization delays. We remain watchful of overall execution pace, order momentum, and labor shortages, which have improved, but are yet to reach normalized levels.

Industrial consumables companies' revenue is likely to grow modestly at ~6% YoY, due to weaker exports amid tariff-related uncertainties and continued threat from Chinese dumping, despite resilient domestic demand. EBITDA margins are likely to remain flattish due to weaker operating leverage being offset by better gross margin.

Defense companies' revenue is likely to grow at ~12% YoY driven by strong execution of robust order books. EBITDA margins are likely to remain flattish due to lower gross margin and higher other expenses. The recent ~Rs790bn AoN approvals by DAC are expected to translate into incremental OIs, with BEL, HAL, etc., being key beneficiaries. Continued policy thrust on defense indigenization should further support sustained order booking momentum across multiple platforms and programs.

Exhibit 2: 3QFY26E Summary

(Rs mn)	Sales			EBITDA			PBT			Adj. PAT		
	Q3FY26	YoY gr.	QoQ gr.	Q3FY26	YoY gr.	QoQ gr.	Q3FY26	YoY gr.	QoQ gr.	Q3FY26	YoY gr.	QoQ gr.
T&D-related Product companies												
APR IN	49,288	4.5%	-13.8%	3,573	0.3%	-22.5%	2,343	-1.8%	-31.2%	1,734	-0.9%	-31.1%
ENRIN IN	19,004	25.3%	-28.2%	3,136	32.1%	-34.6%	3,031	41.8%	-36.7%	2,252	68.4%	-37.4%
GVTD IN	15,727	46.5%	2.2%	3,932	118.8%	-0.8%	3,957	108.4%	-1.4%	2,952	106.9%	-1.4%
VAMP IN	5,314	9.9%	10.1%	1,026	3.6%	9.6%	1,137	11.2%	9.1%	853	16.1%	8.1%
Industrial Machinery/product companies												
ABB IN	34,621	2.9%	4.6%	5,284	-19.6%	5.6%	5,801	-17.7%	7.0%	4,325	-18.7%	5.8%
ELEQ IN	9,061	6.9%	-6.4%	1,268	6.2%	-9.3%	1,140	5.0%	-13.8%	836	3.7%	-15.5%
INGR IN	3,995	4.7%	24.1%	1,007	-1.7%	32.7%	1,006	-5.1%	24.4%	752	-3.1%	24.6%
KKC IN	32,851	6.5%	3.6%	6,702	11.7%	-3.5%	7,877	17.5%	-6.2%	5,955	15.9%	-6.6%
KKPC IN	4,568	33.3%	18.2%	763	54.4%	30.4%	735	50.5%	28.0%	547	48.8%	25.0%
PRJ IN	8,193	-4.0%	-2.7%	549	-6.3%	-1.7%	473	-19.6%	59.7%	341	-17.1%	76.6%
SIEM IN	37,580	11.9%	-27.3%	4,660	16.4%	-26.9%	5,536	12.0%	-19.0%	4,119	12.2%	-18.5%
TMX IN	27,755	10.7%	12.2%	2,304	21.9%	33.9%	2,119	35.1%	21.9%	1,589	37.1%	32.8%
TRIV IN	1,107	19.8%	21.4%	1,377	26.0%	20.2%	1,508	21.1%	21.0%	1,107	19.8%	21.4%
Industrial Consumables Companies												
CU IN	13,115	4.5%	1.0%	1,600	-9.6%	2.3%	1,123	-18.0%	5.3%	892	-35.8%	19.8%
GWN IN	7,676	9.3%	-0.9%	1,405	13.8%	-0.1%	1,335	15.3%	-6.8%	1,001	15.3%	-6.3%
HARSHA IN	3,657	7.9%	-3.3%	475	11.2%	-11.2%	428	14.9%	-13.6%	314	17.8%	-13.7%
Project Companies												
BHEL IN	86,136	18.4%	14.7%	6,891	126.5%	18.6%	5,591	231.2%	13.6%	4,137	231.6%	12.5%
ENGR IN	9,754	27.6%	5.9%	1,268	29.5%	49.9%	1,611	28.0%	45.4%	1,358	24.9%	181.1%
KECI IN	62,610	17.0%	2.8%	5,009	33.8%	16.4%	2,869	79.5%	34.7%	2,195	69.4%	36.5%
KPIL IN	57,122	18.4%	5.4%	4,855	20.8%	8.6%	3,075	41.3%	12.9%	2,254	43.3%	12.8%
LT IN	7,53,658	16.5%	10.9%	77,210	23.4%	13.4%	67,460	26.5%	6.5%	42,821	27.5%	9.1%
Defence Companies												
BEML IN	10,622	21.3%	26.6%	1,009	67.2%	37.9%	787	166.1%	56.5%	590	141.8%	21.4%
BHE IN	65,519	13.8%	13.7%	18,083	9.4%	6.7%	19,098	8.9%	10.1%	14,324	8.8%	11.4%
HNAL IN	76,183	9.5%	14.9%	17,895	6.4%	14.9%	21,385	5.0%	-3.7%	16,039	11.4%	-3.9%

Source: Company, PL

Top Picks

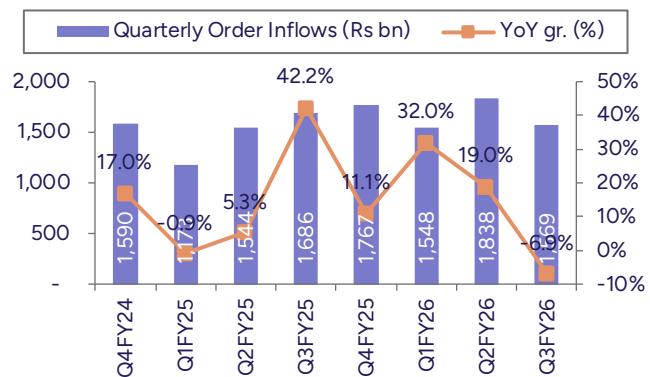
Hindustan Aeronautics: HAL is a strong play on India's growing strength and modernization of air defense given it is the primary supplier of military aircraft, receipt of 5 GE-F404 engines, with 2 more anticipated by end Jan'26, likely to help ramp up the execution and delivery of LCA Tejas Mk1A over the next few years, its robust order book of ~Rs2.5trn (8.0x TTM sales), leap in HAL's technological capabilities due to development of advanced platforms (Mk2, AMCA, GE-414 & IMRH engines, etc.), and improvement in profitability via scale & operating leverage. We expect the company to report revenue/adj PAT CAGR of 13%/8% over FY25-28E. We have a '**BUY**' rating on the stock with a TP of Rs5,507 valuing the stock at a PE of 38x Sep'27E.

Larsen & Toubro: We believe L&T is well-placed to benefit from strong international prospects led by the Middle East, the sale of its loss-making development project Hyderabad Metro, which will help improve its balance sheet and return ratios, and its penetration in newer areas such as green energy, electrolyzers, semiconductors, and data centers, which will aid the next phase of growth. We expect the company to report revenue/adj PAT CAGR of 15%/23% over FY25-28E. We have a '**BUY**' rating on the stock valuing the core business at a PE of 22x Sep'27E arriving at a SoTP-derived TP of Rs4,766.

GE Vernova T&D India: We believe GE Vernova T&D India is well-positioned to benefit from the HVDC upcycle, with the recent Khavda-South Olpad win significantly strengthening its order book. The company's "Asia for Asia" localization strategy, along with ongoing capacity expansion and capex, enhances cost competitiveness and execution capability. This positions GE T&D to capture higher value domestic and export opportunities across renewable evacuation and grid-strengthening projects, while emerging opportunities in data centers and STATCOMs provide incremental growth levers. We expect the company to report revenue/adj PAT CAGR of 34%/41% over FY25-28E. We have a '**BUY**' rating on the stock valuing the core business at a PE of 65x Sep'27E arriving at a TP of Rs4,005.

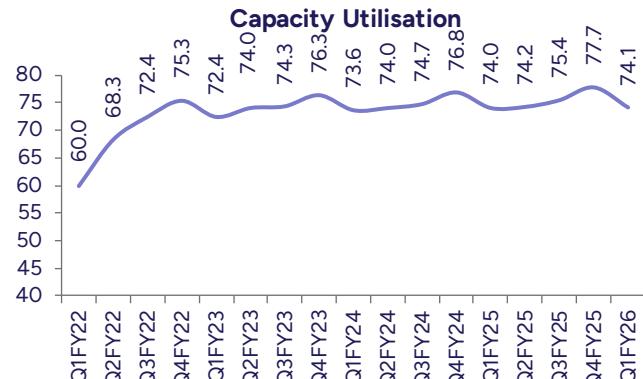
Voltamp Transformers: We remain positive on Voltamp Transformers considering its capacity expansion, which is anticipated to increase volumes by ~10% in FY27, market leading position in industrial transformers, growing high-margin service business and robust long-term demand outlook. We expect the company to report revenue/adj PAT CAGR of 14%/9% over FY25-28E. We have a '**BUY**' rating with a TP of Rs10,318 valuing the stock at a PE of 26x Sep'27E.

Exhibit 3: Finalization delays to impact OI growth in Q3FY26



Source: Company, PL

Exhibit 4: Utilization sees slight dip in Q1FY26



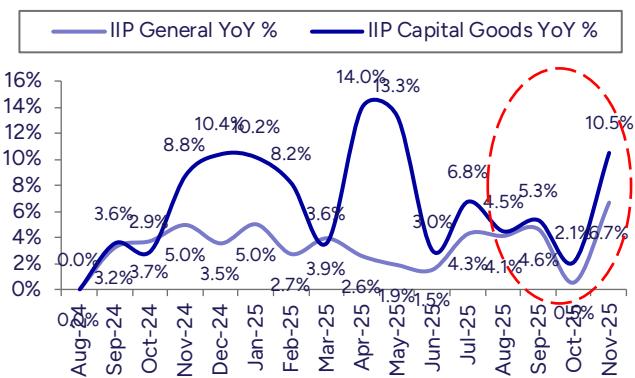
Source: RBI, PL

Exhibit 5: Strong macro activity with new & revived projects

Rs trn	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
New projects	10.5	24.3	8.0	8.6	10.0
YoY gr.	36%	35%	125%	-12%	-6%
Completed projects	1.5	2.7	2.4	1.8	1.5
YoY gr.	-25%	-30%	226%	43%	0%
Stalled projects	0.2	0.4	0.1	0.0	0.3
YoY gr.	336%	-77%	-90%	-96%	33%
Revived projects	0.4	2.5	1.4	0.4	0.5
YoY gr.	-28%	298%	399%	4%	0%

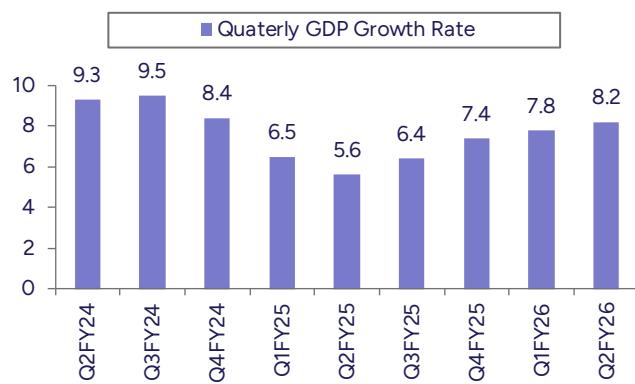
Source: CMIE, PL

Exhibit 6: Strong rebound in IIP capital goods growth



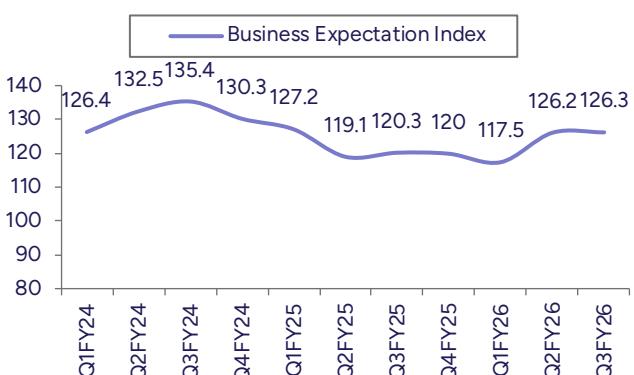
Source: MOSPI, PL

Exhibit 7: GDP growth improves in Q2FY26



Source: MOSPI, PL

Exhibit 8: Business expectations remain at healthy levels



Source: RBI, PL

Exhibit 9: Q3FY26 Result Preview

Company Name		Q3FY26E	Q3FY25	YoY gr. (%)	Q2FY26	QoQ gr. (%)	Remark
ABB India	Sales	34,621	33,649	2.9	33,107	4.6	We expect ABB to register a revenue growth of ~3% YoY driven by healthy execution across Robotics and Motion partially offset by likely weakness in Electrification.
	EBITDA	5,284	6,573	-19.6	5,004	5.6	EBITDA margin is expected to contract by ~400bps YoY due to higher import content in raw materials and unfavorable mix. Key factors to monitor include management's commentary on order finalization, remaining imported inventory of raw materials for QCO compliance and update on potential robotics divestment.
	<i>Margin (%)</i>	<i>15.3</i>	<i>19.5</i>	<i>-427 bps</i>	<i>15.1</i>	<i>15 bps</i>	
	PBT	5,801	7,051	-17.7	5,421	7.0	
Apar Industries	Adj. PAT	4,325	5,319	-18.7	4,089	5.8	
	Sales	49,288	47,164	4.5	57,154	(13.8)	We expect the Apar industries to report a soft revenue growth of ~5% YoY due to higher RM prices and slower order booking amid tariffs uncertainty. EBITDA margin is likely to contract by ~30bps YoY due to weaker operating leverage. Management's commentary on tariffs situation, domestic & export demand across segments and growth outlook in US and Non-US market will be key monitorable.
	EBITDA	3,573	3,561	0.3	4,609	(22.5)	
	<i>Margin (%)</i>	<i>7.3</i>	<i>7.6</i>	<i>-30 bps</i>	<i>8.1</i>	<i>-81 bps</i>	
Bharat Electronics	PBT	2,343	2,386	(1.8)	3,406	(31.2)	
	Adj. PAT	1,734	1,749	(0.9)	2,517	(31.1)	
	Sales	65,519	57,561	13.8	57,637	13.7	We expect BEL to report revenue growth of ~14% YoY driven by healthy execution of a strong orderbook.
	EBITDA	18,083	16,533	9.4	16,953	6.7	EBITDA margin is likely to decline by ~100bps due to product mix. During the quarter, BEL announced an order inflow of ~Rs50bn across various products. Management's commentary on execution pace, order pipeline, and majors developments across key upcoming programs such as QRSAM, AMCA and Kusha will be key monitorable.
BEML	<i>Margin (%)</i>	<i>27.6</i>	<i>28.7</i>	<i>-112 bps</i>	<i>29.4</i>	<i>-181 bps</i>	
	PBT	19,098	17,542	8.9	17,343	10.1	
	Adj. PAT	14,324	13,161	8.8	12,861	11.4	
	Sales	10,622	8,758	21.3	8,391	26.6	We expect BEML to register a revenue growth of ~21% YoY driven by improvement in execution and gradual stabilization of supply-chain challenges. EBITDA margin is likely to improve ~260bps owing to better operating leverage. Management commentary on supply chain headwinds, execution pace across segments and order pipeline across Rail & Metro and Defence will be key monitorable.
BHEL	EBITDA	1,009	604	67.2	732	37.9	
	<i>Margin (%)</i>	<i>9.5</i>	<i>6.9</i>	<i>261 bps</i>	<i>8.7</i>	<i>78 bps</i>	
	PBT	787	296	166.1	503	56.5	
	Adj. PAT	590	244	141.8	486	21.4	
Carborundum Universal	Sales	86,136	72,771	18.4	75,118	14.7	We expect BHEL to report a revenue growth of ~18% YoY driven by healthy execution across power and industry segments. EBITDA margin is likely to expand by ~380bps YoY led by execution ramp up offering better operating leverage. During the quarter, the company secured an EPC order Rs66.5 bn for a 1x800 MW thermal power project.
	EBITDA	6,891	3,042	126.5	5,809	18.6	BHEL's execution pace in its Power segment, order prospects and working capital management will be key monitorable.
	<i>Margin (%)</i>	<i>8.0</i>	<i>4.2</i>	<i>382 bps</i>	<i>7.7</i>	<i>27 bps</i>	
	PBT	5,591	1,688	231.2	4,920	13.6	
Elgi Equipments	Adj. PAT	4,137	1,248	231.6	3,677	12.5	
	Sales	13,115	12,555	4.5	12,981	1.0	We expect Carborundum Universal to report revenue growth of ~4.5% YoY led by healthy growth in Ceramics partially offset continued Chinese dumping pressure in Abrasives and weaker execution in Electrominerals
	EBITDA	1,600	1,770	-9.6	1,564	2.3	segment due to VAW-related sanctions. EBITDA margins are expected to contract by ~190 bps due to higher operating expenses, unfavorable mix and lower exports. Management commentary on volume growth across segments and geographies along with performance of CUMI's key subsidiaries will be key monitorable.
	<i>Margin (%)</i>	<i>12.2</i>	<i>14.1</i>	<i>-190 bps</i>	<i>12.0</i>	<i>15 bps</i>	
Engineers India	PBT	1,123	1,369	-18.0	1,066	5.3	
	Adj. PAT	892	1,389	-35.8	745	19.8	
	Sales	9,061	8,476	6.9	9,680	(6.4)	We anticipate Elgi to report a revenue growth of ~7% YoY led by healthy growth in domestic business while RoW is expected to remain soft. EBITDA margin is likely to remain flattish YoY. Management's commentary on tariff led order finalization delays, export market outlook especially key USA and Europe and new product pipeline will be key monitorable.
	EBITDA	1,268	1,195	6.2	1,399	(9.3)	
Margin (%)	<i>14.0</i>	<i>14.1</i>	<i>-9 bps</i>	<i>14.5</i>	<i>-45 bps</i>		
	PBT	1,140	1,086	5.0	1,323	(13.8)	
	Adj. PAT	836	806	3.7	988	(15.5)	
	Sales	9,754	7,646	27.6	9,213	5.9	We anticipate EIL to register a revenue growth of ~28% YoY driven by stronger execution across domestic consultancy and turnkey segment. EBITDA margin likely to remain flattish YoY likely driven by lower employee costs offsetting lower gross margin. Management's
Adj. PAT	EBITDA	1,268	979	29.5	846	49.9	commentary on execution, order pipeline, scaling of Non-O&G, international opportunities and competition landscape will be key monitorable.
	<i>Margin (%)</i>	<i>13.0</i>	<i>12.8</i>	<i>20 bps</i>	<i>9.2</i>	<i>382 bps</i>	
	PBT	1,611	1,258	28.0	1,108	45.4	
	Adj. PAT	1,358	1,087	24.9	483	181.1	



Company Name		Q3FY26E	Q3FY25	YoY gr. (%)	Q2FY26	QoQ gr. (%)	Remark
GE Vernova T&D India	Sales	15,727	10,737	46.5	15,385	2.2	We expect GVTD to report a robust revenue growth of ~47% YoY driven by strong execution of robust order book. EBITDA margin is expected to improve by ~800bps YoY supported by favorable product mix and better operating leverage. During the quarter, GVTD secured prestigious HVDC VSC order of 2500 MW, ± 500 kV (2x1250 MW) from Khavda to South Olpad. Management's
	EBITDA	3,932	1,797	118.8	3,965	(0.8)	prestigious HVDC order of 2500 MW, ± 500 kV (2x1250 MW) from Khavda to South Olpad. Management's
	Margin (%)	25.0	16.7	826 bps	25.8	-77 bps	commentary on execution timeline of the HVDC order, order prospects including upcoming HVDCs, and order momentum from group companies will be key monitorable.
	PBT	3,957	1,899	108.4	4,013	(1.4)	
Grindwell Norton	Adj. PAT	2,952	1,427	106.9	2,995	(1.4)	
	Sales	7,676	7,026	9.3	7,747	(0.9)	We expect Grindwell Norton to report a revenue growth of ~9% YoY led by healthy growth across segments.
	EBITDA	1,405	1,234	13.8	1,407	(0.1)	EBITDA margin is likely to expand by ~70bps YoY driven by improvement in gross margin. Management's
	Margin (%)	18.3	17.6	73 bps	18.2	14 bps	commentary regarding development in export markets along with impact of Chinese dumping will be key monitorable.
Harsha Engineers International	PBT	1,335	1,158	15.3	1,432	(6.8)	
	Adj. PAT	1,001	868	15.3	1,069	(6.3)	
	Sales	3,657	3,389	7.9	3,783	(3.3)	We expect Harsha to report a revenue growth of ~8% YoY led by growth in exports from India and recovery in Romania. EBITDA margin will likely improve by ~40bps
	EBITDA	475	428	11.2	535	(11.2)	YoY owing to better gross margin. Management's
Hindustan Aeronautics	Margin (%)	13.0	12.6	38 bps	14.1	-114 bps	commentary regarding subsidiaries' performance, domestic & export demand and utilization ramp up of new Advantek facility will be key monitorable.
	PBT	428	373	14.9	496	(13.6)	
	Adj. PAT	314	267	17.8	364	(13.7)	
	Sales	76,183	69,573	9.5	66,286	14.9	We expect HAL to register a revenue growth of ~10% YoY driven by healthy execution of a robust order book.
Ingersoll-Rand (India)	EBITDA	17,895	16,825	6.4	15,579	14.9	EBITDA margin likely to contract by ~70bps YoY due to higher other operating expenses. Management's
	Margin (%)	23.5	24.2	-69 bps	23.5	-1 bps	commentary on execution pace, status of GE engines and deliveries of Tejas Mk1A will be key monitorable.
	PBT	21,385	20,368	5.0	22,196	(3.7)	
	Adj. PAT	16,039	14,398	11.4	16,691	(3.9)	
KEC International	Sales	3,995	3,815	4.7	3,219	24.1	We expect INGR to report a revenue growth of ~5% YoY driven by steady execution and healthy demand for air compressors. EBITDA margin is expected to decline by ~160bps due to weaker execution resulting in lower fixed cost absorption. INGR's execution pace, commercial
	EBITDA	1,007	1,024	(1.7)	759	32.7	operation of new Sanand facility and impact of reciprocal tariffs by the USA on the company's export business will remain key monitorable.
	Margin (%)	25.2	26.8	-164 bps	23.6	164 bps	
	PBT	1,006	1,060	(5.1)	809	24.4	
Cummins India	Adj. PAT	752	777	(3.1)	604	24.6	
	Sales	62,610	53,494	17.0	60,916	2.8	We expect KEC to report a revenue growth of ~17% YoY led by healthy execution in T&D business along with improvement in cable business partially offset by labor
	EBITDA	5,009	3,745	33.8	4,304	16.4	and collection challenges in water. EBITDA margin is likely to improve by ~100bps YoY driven by operating leverage.
	Margin (%)	8.0	7.0	100 bps	7.1	93 bps	During the quarter, the company announced an order inflow of ~Rs65.4bn led by T&D, Cables and Civil.
Kalpataru Projects International	PBT	2,869	1,598	79.5	2,130	34.7	Management commentary on execution pace, labour availability, payment collections in water, and the non-T&D order pipeline will be key monitorables, along with more clarity on the impact of PGCIL's exclusion order.
	Adj. PAT	2,195	1,296	69.4	1,608	36.5	
	Sales	32,851	30,860	6.5	31,703	3.6	We expect Cummins to report a modest revenue growth of ~7% YoY against a slightly higher base, driven by growth in domestic sales aided by strong traction for power gen with some softness expected in exports due to
	EBITDA	6,702	6,000	11.7	6,948	(3.5)	inventory correction. EBITDA margin will be likely to improve by ~95bps YoY owing to better gross margin.
Adj. PAT	Margin (%)	20.4	19.4	96 bps	21.9	-152 bps	Management's commentary regarding demand in domestic and export markets, price and volume level of CPCB IV, competition intensity and demand momentum for powergen will be key monitorable.
	PBT	7,877	6,702	17.5	8,394	(6.2)	
	Adj. PAT	5,955	5,140	15.9	6,377	(6.6)	
	Sales	57,122	48,257	18.4	54,188	5.4	We expect Kalpataru's standalone revenue to grow by ~18% YoY driven by strong execution in T&D and B&F business. EBITDA margin is likely to remain flattish YoY.
Adj. PAT	EBITDA	4,855	4,019	20.8	4,472	8.6	During the quarter, the company has announced a healthy order intake of ~Rs43.4bn primarily across T&D and B&F segments across domestic and international markets.
	Margin (%)	8.5	8.3	17 bps	8.3	25 bps	Management's commentary on order booking momentum, collection in water business, road asset monetization and
	PBT	3,075	2,177	41.3	2,723	12.9	execution of large civil projects will be key monitorable.
	Adj. PAT	2,254	1,574	43.3	1,999	12.8	

Company Name		Q3FY26E	Q3FY25	YoY gr. (%)	Q2FY26	QoQ gr. (%)	Remark
Kirloskar Pneumatic Company	Sales	4,568	3,426	33.3	3,864	18.2	We expect KKPC to report revenue growth of ~33% YoY led by strong growth across Refrigeration and Air compressors. EBITDA margin likely to expand by ~230bps YoY against a slightly lower base, driven by better operating leverage. Management's commentary on execution pace, order finalization, launch and scale of new products and demand outlook across end users will be key monitorable.
	EBITDA	763	494	54.4	585	30.4	
	Margin (%)	16.7	14.4	228 bps	15.1	156 bps	
	PBT	735	488	50.5	574	28.0	
	Adj. PAT	547	368	48.8	438	25.0	
Larsen & Toubro	Sales	7,53,658	6,46,678	16.5	6,79,835	10.9	We expect L&T to report consolidated revenue growth of ~16.5% YoY led by ~18% YoY growth in its P&M businesses. EBITDA margin is likely to expand by ~60bps YoY due to operating leverage. Post Q2FY26 results, L&T has announced orders in the range of ~Rs145-300bn. Management's commentary on order prospects across different segments, ordering activity from Middle East, domestic execution pace and L&T's exit from Hyderabad Metro developmental project will be key monitorables.
	EBITDA	77,210	62,549	23.4	68,064	13.4	
	Margin (%)	10.2	9.7	57 bps	10.0	23 bps	
	PBT	67,460	53,330	26.5	63,361	6.5	
	Adj. PAT	42,821	33,588	27.5	39,261	9.1	
Praj Industries	Sales	8,193	8,530	-4.0	8,416	(2.7)	We expect Praj to report a revenue decline of ~4% YoY due to lower demand from 1G domestic ethanol in BioEnergy segment and lower execution in Engineering due to non-receipt of key orders for the GenX facility.
	EBITDA	549	586	-6.3	558	(1.7)	
	Margin (%)	6.7	6.9	-17 bps	6.6	7 bps	EBITDA margin is likely to contract by ~20bps YoY due to higher operating expenses on account of GenX.
	PBT	473	588	-19.6	296	59.7	Management's commentary on execution pace, order booking for GenX facility, liquidity challenges in domestic market, order finalizations and working capital management will be key monitorable.
	Adj. PAT	341	411	-17.1	193	76.6	
Siemens#	Sales	37,580	33,582	11.9	51,712	(27.3)	We expect Siemens (adj. for ex. LV Motors) to register a revenue growth of ~12% YoY led by healthy execution in smart infra and mobility segments. EBITDA margins are likely to expand by ~50bps YoY driven by gross margin expansion and better operating leverage. The execution pace, demand recovery in digital industries, order pipeline and divestment timeline of LVM business will be key monitorable.
	EBITDA	4,660	4,005	16.4	6,372	(26.9)	
	Margin (%)	12.4	11.9	48 bps	12.3	8 bps	
	PBT	5,536	4,942	12.0	6,835	(19.0)	
	Adj. PAT	4,119	3,671	12.2	5,055	(18.5)	
Siemens Energy India#	Sales	19,004	15,169	25.3	26,457	(28.2)	We expect Siemens energy to register a revenue growth of ~25% YoY led by strong execution in Power Transmission segment and better growth in Power generation segment against lower base in Q1SY25.
	EBITDA	3,136	2,373	32.1	4,793	(34.6)	
	Margin (%)	16.5	15.6	86 bps	18.1	-162 bps	EBITDA margin is likely to expand by ~85bps YoY led by better operating leverage partially offset by lower gross margin. Management's commentary regarding demand outlook for both transmission and generation portfolio, VSC HVDC pipeline and status of capacity expansion will be key monitorable.
	PBT	3,031	2,138	41.8	4,784	(36.7)	
	Adj. PAT	2,252	1,337	68.4	3,596	(37.4)	
Thermax	Sales	27,755	25,078	10.7	24,739	12.2	We expect Thermax to report a modest revenue growth of ~11% YoY driven by healthy execution in Industrial Products. EBITDA margin is likely to expand by ~75bps YoY. Management's commentary regarding execution pace, legacy order book of FGD and BioCNG projects, current demand outlook and performance of subsidiaries will be key monitorable.
	EBITDA	2,304	1,890	21.9	1,720	33.9	
	Margin (%)	8.3	7.5	76 bps	7.0	135 bps	
	PBT	2,119	1,568	35.1	1,738	21.9	
	Adj. PAT	1,589	1,159	37.1	1,197	32.8	
Triveni Turbine	Sales	6,120	5,034	21.6	5,062	20.9	We expect Triveni turbine to report a revenue growth of ~22% YoY likely to be driven by execution of domestic orders. EBITDA margin will likely expand by ~80bps owing to better product mix and lower employee expenses.
	EBITDA	1,377	1,093	26.0	1,146	20.2	
	Margin (%)	22.5	21.7	79 bps	22.6	-14 bps	Management's commentary on order finalization delays due to tariffs and overall execution pace will be key monitorables.
	PBT	1,508	1,245	21.1	1,246	21.0	
	Adj. PAT	1,107	924	19.8	912	21.4	
Voltamp Transformers	Sales	5,314	4,835	9.9	4,826	10.1	We expect Voltamp to report a revenue growth of ~10% YoY owing to strong execution of order backlog. EBITDA margin is expected to contract by ~120 bps YoY against a higher base. The management's commentary regarding volume growth, competitive intensity and pricing pressure in the domestic transformer industry will be key areas to monitor.
	EBITDA	1,026	990	3.6	936	9.6	
	Margin (%)	19.3	20.5	-118 bps	19.4	-9 bps	
	PBT	1,137	1,022	11.2	1,042	9.1	
	Adj. PAT	853	734	16.1	789	8.1	

Source: Company, PL

* Y/e Dec / # Y/e Sep

Exhibit 10: 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)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
ABB India*	S	Acc	5,299	5,540	1,122.9	121.9	131.1	143.6	162.2	23.1	20.3	22.6	26.3	18.7	16.7	18.7	21.7	88.5	78.7	88.2	102.5	28.8	22.2	21.9	22.0	59.9	67.3	60.1	51.7
Apar Industries	C	Hold	8,184	9,431	328.7	185.8	232.4	267.7	310.3	15.5	19.0	22.0	25.4	8.2	10.9	12.2	14.0	204.5	270.5	303.8	348.2	19.6	22.2	21.4	21.2	40.0	30.3	26.9	23.5
Bharat Electronics	S	HOLD	416	407	3,038.3	236.6	273.8	323.4	371.0	67.7	76.5	87.9	100.9	52.9	59.7	69.1	79.6	7.2	8.2	9.5	10.9	29.6	27.5	26.6	26.1	57.5	50.9	44.0	38.2
BEML	C	Hold	1,861	1,982	155.0	40.2	45.2	57.7	68.3	5.1	6.2	8.3	10.1	2.9	3.9	5.5	6.7	35.1	47.3	66.0	80.9	10.5	13.2	16.6	17.8	53.0	39.3	28.2	23.0
BHEL	S	HOLD	304	250	1,057.0	283.4	346.6	431.2	517.2	12.4	24.4	51.4	66.3	5.1	13.5	34.0	45.1	1.5	3.9	9.8	12.9	2.1	5.2	12.1	14.2	206.1	78.5	31.1	23.4
Carborundum Universal	C	HOLD	824	894	156.7	48.9	50.8	56.2	62.0	7.1	5.9	7.6	8.7	3.6	3.2	4.4	5.0	18.7	16.6	22.9	26.5	10.7	8.7	11.1	11.8	44.1	49.6	36.0	31.1
Elgi Equipments	C	Acc	472	561	149.6	35.1	38.6	43.4	48.6	5.2	6.0	7.0	8.0	3.5	4.0	4.7	5.4	11.1	12.6	14.9	17.1	20.1	19.7	19.8	19.4	42.7	37.3	31.6	27.5
Engineers India	C	Buy	205	255	115.1	30.9	39.3	48.4	57.6	4.3	5.1	7.1	8.7	5.2	5.5	7.1	8.4	9.2	9.7	12.6	14.9	21.0	19.6	22.9	24.6	22.2	21.0	16.3	13.7
GE Vernova T&D India	S	Buy	3,151	4,005	806.7	42.9	60.1	82.7	102.9	8.3	15.4	19.3	23.8	6.2	11.4	14.1	17.4	24.3	44.5	55.2	68.0	41.3	52.4	46.1	41.8	129.4	70.8	57.1	46.3
Grindwell Norton	C	Hold	1,576	1,744	174.5	28.1	30.6	34.2	38.0	5.1	5.7	6.5	7.2	3.7	4.1	4.8	5.3	33.3	37.4	43.5	48.3	17.1	17.5	18.4	18.5	47.3	42.1	36.2	32.6
Harsha Engineers International	C	Hold	395	407	36.0	14.1	15.1	17.0	19.0	1.7	2.2	2.6	2.9	1.2	1.5	1.7	2.0	12.8	16.3	19.2	21.5	9.6	11.2	11.9	12.0	30.8	24.3	20.6	18.4
Hindustan Aeronautics	C	BUY	4,525	5,507	3,026.3	309.8	337.8	385.8	441.6	96.1	98.8	112.0	126.5	82.7	84.5	92.3	101.5	123.7	126.3	138.0	151.8	25.8	22.2	20.9	19.8	36.6	35.8	32.8	29.8
Ingersoll-Rand (India)	S	Acc	3,395	4,271	107.2	13.4	14.0	16.0	18.3	3.4	3.4	3.9	4.5	2.7	2.6	3.0	3.4	84.7	82.0	94.3	109.1	45.0	41.2	45.0	48.2	40.1	41.4	36.0	31.1
KEC International	C	Buy	717	932	190.9	218.5	251.0	289.7	332.6	15.0	20.0	25.9	30.6	5.5	9.1	13.4	16.0	20.7	34.3	50.5	60.1	11.7	15.9	20.0	20.0	34.6	20.9	14.2	11.9
Cummins India	S	Hold	4,148	4,172	1,149.8	103.4	119.8	135.9	152.3	20.7	24.9	27.9	31.3	19.1	22.9	25.3	28.5	68.8	82.5	91.3	102.8	28.9	29.7	28.5	28.6	60.3	50.3	45.4	40.4
Kalpataru Projects International	S	Buy	1,174	1,494	200.4	188.9	237.1	283.3	325.4	15.9	20.3	25.9	30.8	6.7	9.4	12.2	14.6	39.3	54.9	71.4	85.3	10.4	12.4	14.3	15.1	29.8	21.4	16.4	13.8
Kirloskar Pneumatic Company	C	BUY	1,058	1,620	68.5	16.4	18.3	21.2	25.0	2.9	3.3	4.0	4.8	2.2	2.4	2.9	3.5	33.2	37.4	44.5	53.7	21.3	20.5	21.0	21.7	31.9	28.3	23.8	19.7
Larsen & Toubro	C	BUY	4,157	4,766	5,717.4	2557.3	2973.6	3400.0	3864.6	264.3	310.6	382.9	439.3	147.1	180.9	232.3	269.9	106.9	131.5	168.9	196.3	16.0	17.0	18.6	18.3	38.9	31.6	24.6	21.2
Praj Industries	C	Hold	322	353	59.2	32.3	31.0	34.8	39.5	3.1	2.2	3.4	4.0	2.0	1.1	2.2	2.8	10.8	6.3	12.1	15.0	14.9	8.2	14.8	16.4	29.8	51.5	26.5	21.5
Siemens#	C	Acc	3,134	3,470	1,115.6	160.8	173.6	2013	230.9	21.3	21.1	25.2	29.4	17.4	17.6	21.0	24.2	48.9	49.4	59.1	68.1	12.2	12.3	15.0	15.2	64.1	63.5	53.0	46.0
Siemens Energy India#	C	Acc	2,603	3,312	926.8	61.6	78.3	96.8	119.8	9.8	14.7	19.1	24.5	7.0	10.7	14.0	18.1	19.6	30.0	39.5	51.0	21.7	28.1	28.6	29.5	132.8	86.8	66.0	51.1
Thermax	C	Acc	3,069	3,513	365.7	103.2	112.2	129.0	145.6	8.4	9.1	11.6	13.5	5.9	6.6	8.2	9.2	49.3	55.1	68.6	77.3	12.5	12.6	14.2	14.4	62.2	55.7	44.8	39.7
Triveni Turbine	C	Acc	533	609	169.5	20.1	22.1	25.8	29.3	4.4	4.9	5.8	6.5	3.6	4.1	4.8	5.4	11.2	12.7	15.1	17.0	32.8	30.1	29.3	27.5	47.5	41.8	35.4	31.4
Voltaamp Transformers	S	BUY	7,720	10,318	78.1	19.3	20.6	24.3	28.3	3.7	3.8	4.2	4.7	3.3	3.5	3.8	4.2	321.6	343.3	374.9	418.8	22.1	20.3	19.2	18.7	24.0	22.5	20.6	18.4

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 11: Change in Estimates

Company Names	Rating		Target Price				Sales						PAT						EPS					
					FY27E		FY28E		FY27E		FY28E		FY27E		FY28E				FY27E		FY28E			
	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*	Acc	Acc	5,540	5,540	0.0%	1,43,616	1,43,616	0.0%	1,62,187	1,62,187	0.0%	18,696	18,696	0.0%	21,721	21,721	0.0%	88.2	88.2	0.0%	102.5	102.5	0.0%	
Apar Industries	Hold	Hold	9,431	9,744	-3.2%	2,60,805	2,67,722	-2.6%	3,04,117	3,10,347	-2.0%	11,844	12,204	-3.0%	13,667	13,988	-2.3%	294.9	303.8	-3.0%	340.2	348.2	-2.3%	
Bharat Electronics	HOLD	HOLD	407	407	0.0%	3,22,468	3,23,355	-0.3%	3,70,293	3,70,965	-0.2%	69,105	69,111	0.0%	79,561	79,574	0.0%	9.5	9.5	0.0%	10.9	10.9	0.0%	
BEML	Hold	Hold	1,982	1,982	0.0%	57,721	57,721	0.0%	68,325	68,325	0.0%	5,494	5,494	0.0%	6,736	6,736	0.0%	66.0	66.0	0.0%	80.9	80.9	0.0%	
BHEL	HOLD	HOLD	250	250	0.0%	4,31,171	4,31,171	0.0%	5,17,181	5,17,182	0.0%	33,952	33,952	0.0%	45,087	45,087	0.0%	9.8	9.8	0.0%	12.9	12.9	0.0%	
Carborundum Universal	HOLD	HOLD	894	894	0.0%	56,175	56,175	0.0%	62,002	62,002	0.0%	4,358	4,358	0.0%	5,038	5,038	0.0%	22.9	22.9	0.0%	26.5	26.5	0.0%	
Elgi Equipments	Acc	Acc	561	561	0.0%	43,371	43,371	0.0%	48,575	48,575	0.0%	4,730	4,730	0.0%	5,434	5,434	0.0%	14.9	14.9	0.0%	17.1	17.1	0.0%	
Engineers India	Buy	Buy	255	255	0.0%	48,434	48,434	0.0%	57,621	57,621	0.0%	7,068	7,068	0.0%	8,402	8,402	0.0%	12.6	12.6	0.0%	14.9	14.9	0.0%	
GE Vernova T&D India	Buy	Buy	4,005	4,005	0.0%	82,716	82,716	0.0%	1,02,868	1,02,868	0.0%	14,138	14,138	0.0%	17,418	17,418	0.0%	55.2	55.2	0.0%	68.0	68.0	0.0%	
Grindwell Norton	Hold	Hold	1,744	1,744	0.0%	34,180	34,180	0.0%	37,957	37,957	0.0%	4,814	4,814	0.0%	5,347	5,347	0.0%	43.5	43.5	0.0%	48.3	48.3	0.0%	
Harsha Engineers International	Hold	Hold	407	407	0.0%	16,957	16,957	0.0%	18,996	18,996	0.0%	1,746	1,746	0.0%	1,958	1,958	0.0%	19.2	19.2	0.0%	21.5	21.5	0.0%	
Hindustan Aeronautics	BUY	BUY	5,507	5,507	0.0%	3,85,839	3,85,839	0.0%	4,41,593	4,41,593	0.0%	92,318	92,318	0.0%	1,01,518	1,01,518	0.0%	138.0	138.0	0.0%	151.8	151.8	0.0%	
Ingersoll-Rand (India)	Acc	Acc	4,271	4,271	0.0%	15,993	15,993	0.0%	18,269	18,269	0.0%	2,975	2,975	0.0%	3,445	3,445	0.0%	94.3	94.3	0.0%	109.1	109.1	0.0%	
KEC International	Buy	Buy	932	932	0.0%	2,89,703	2,89,703	0.0%	3,32,551	3,32,551	0.0%	13,444	13,444	0.0%	16,003	16,003	0.0%	50.5	50.5	0.0%	60.1	60.1	0.0%	
Cummins India	Hold	Hold	4,172	4,172	0.0%	1,35,891	1,35,891	0.0%	1,52,350	1,52,350	0.0%	25,299	25,299	0.0%	28,486	28,486	0.0%	91.3	91.3	0.0%	102.8	102.8	0.0%	
Kalpataru Projects International	Buy	Buy	1,494	1,494	0.0%	2,83,309	2,83,309	0.0%	3,25,432	3,25,432	0.0%	12,195	12,195	0.0%	14,559	14,559	0.0%	71.4	71.4	0.0%	85.3	85.3	0.0%	
Kirloskar Pneumatic Company	BUY	BUY	1,620	1,620	0.0%	21,187	21,187	0.0%	25,002	25,002	0.0%	2,882	2,882	0.0%	3,477	3,477	0.0%	44.5	44.5	0.0%	53.7	53.7	0.0%	
Larsen & Toubro	BUY	BUY	4,766	4,766	0.0%	34,00,008	34,00,008	0.0%	38,64,564	38,64,564	0.0%	2,32,332	2,32,332	0.0%	2,69,921	2,69,921	0.0%	168.9	168.9	0.0%	196.3	196.3	0.0%	
Praj Industries	Hold	Hold	353	353	0.0%	34,816	34,816	0.0%	39,496	39,496	0.0%	2,232	2,232	0.0%	2,754	2,754	0.0%	12.1	12.1	0.0%	15.0	15.0	0.0%	
Siemens#	Acc	Acc	3,470	3,470	0.0%	2,01,349	2,01,349	0.0%	2,30,851	2,30,851	0.0%	21,037	21,037	0.0%	24,230	24,230	0.0%	59.1	59.1	0.0%	68.1	68.1	0.0%	
Siemens Energy India#	Acc	Acc	3,312	3,312	0.0%	96,771	96,771	0.0%	1,19,761	1,19,761	0.0%	14,050	14,050	0.0%	18,144	18,144	0.0%	39.5	39.5	0.0%	51.0	51.0	0.0%	
Thermax	Acc	Acc	3,513	3,513	0.0%	1,29,006	1,29,006	0.0%	1,45,647	1,45,647	0.0%	8,172	8,172	0.0%	9,206	9,206	0.0%	68.6	68.6	0.0%	77.3	77.3	0.0%	
Triveni Turbine	Acc	Acc	609	609	0.0%	25,843	25,843	0.0%	29,309	29,309	0.0%	4,788	4,788	0.0%	5,404	5,404	0.0%	15.1	15.1	0.0%	17.0	17.0	0.0%	
Voltamp Transformers	BUY	BUY	10,318	10,318	0.0%	24,347	24,347	0.0%	28,268	28,268	0.0%	3,793	3,793	0.0%	4,237	4,237	0.0%	374.9	374.9	0.0%	418.8	418.8	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	Accumulate	5,540	5,017
2	Apar Industries	Hold	9,744	8,625
3	BEML	Hold	1,982	1,987
4	Bharat Electronics	Hold	407	426
5	BHEL	Hold	250	270
6	Carborundum Universal	Hold	894	901
7	Cummins India	Hold	4,172	4,292
8	Elgi Equipments	Accumulate	561	500
9	Engineers India	BUY	255	190
10	GE Vernova T&D India	BUY	4,005	3,098
11	Grindwell Norton	Hold	1,744	1,676
12	Harsha Engineers International	Hold	407	388
13	Hindustan Aeronautics	BUY	5,507	4,749
14	Ingersoll-Rand (India)	Accumulate	4,271	3,804
15	Kalpataru Projects International	BUY	1,494	1,256
16	KEC International	BUY	932	768
17	Kirloskar Pneumatic Company	BUY	1,620	1,047
18	Larsen & Toubro	BUY	4,766	3,958
19	Praj Industries	Hold	353	335
20	Siemens	Accumulate	3,470	3,145
21	Siemens Energy India	Accumulate	3,312	2,982
22	Thermax	Accumulate	3,513	3,061
23	Triveni Turbine	Accumulate	609	543
24	Voltamp Transformers	BUY	10,318	7,845

PL's Recommendation Nomenclature

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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