

Apr-Jun'26  
Earnings  
Preview

# Capital Goods

July 08, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
ABB India	HOLD	6,772	6,523
Apar Industries	Hold	13,443	13,310
Bharat Electronics	Accumulate	408	453
BEML	Accumulate	1,776	1,940
BHEL	Reduce	378	321
Carborundum Universal	Reduce	1,081	986
Elgi Equipments	Accumulate	576	637
Engineers India	Buy	235	271
GE Vernova T&D India	Accumulate	4,467	4,650
Grindwell Norton	Accumulate	2,018	2,002
Harsha Engineers International	Hold	418	461
Hindustan Aeronautics	BUY	4,365	5,423
Hitachi Energy India	Reduce	31,755	30,768
Ingersoll-Rand (India)	Accumulate	4,360	4,934
KEC International	Accumulate	487	558
Cummins India	Reduce	5,499	5,133
Kalpataru Projects International	Buy	1,332	1,466
Kirloskar Pneumatic Company	BUY	1,745	1,715
Larsen & Toubro	BUY	3,892	4,632
Praj Industries	Accumulate	355	389
Siemens	HOLD	3,446	3,750
Siemens Energy India	Accumulate	3,359	3,274
Thermax	Reduce	4,603	3,969
Triveni Turbine	Hold	613	638
Voltamp Transformers	Accumulate	9,390	10,503

## Mixed Q1: T&D MNCs likely to outshine disruptions

### Quick Pointers

- Q1FY27 performance of EPC companies to see some impact of slower execution and margins due to the Middle East conflict and labor challenges due to elections in some states
- Healthy execution momentum expected across T&D-focused MNCs product companies aided by healthy order book

We expect our capital goods coverage universe to report mixed performance in Q1FY27 driven by (1) healthy execution momentum across T&D-led MNCs product companies supported by healthy order book and sustained domestic demand; (2) relatively slower execution by T&D-focused EPC players amid supply chain disruptions from the Middle East conflict and labor availability issues in select states due to elections; (3) improved execution of strong order backlogs in defense companies, supported by a healthy order pipeline following recent DAC AoN approvals; (4) moderate performance in industrial product and machinery companies due to delays in order conversion, despite healthy enquiry pipelines, amid elevated commodity prices and supply chain disruptions; (5) improved performance in consumable companies; and (6) some weakness in export-oriented businesses owing to supply chain disruptions. Overall, we expect revenue/EBITDA to grow by 10%/12% YoY (12%/19.7% YoY ex-L&T) in Q1FY27, led by healthy execution in T&D-led MNCs product companies and defense companies, partly offset by weaker execution in EPC segments amid labor challenges and supply chain disruptions. However, we continue to remain constructive on segments witnessing sustained investments, particularly transmission, data centers and defense, and prefer companies with meaningful exposure to these themes. Our top picks are Bharat Electronics and Engineers India.

Order inflows (OI) in Q1FY27 are expected to remain subdued across key sectors including power T&D, buildings & factories (B&F), hydrocarbons, energy transition and select defense companies, due to slower order conversion, despite healthy enquiry pipelines. Delays in order finalization during the quarter were largely driven by supply chain disruptions, elevated commodity prices and higher freight costs amid the ongoing Middle East conflict. In Q1FY27, L&T announced OI in the range of INR155-275bn led by one mega order win from JSW Steel, while KEC/Kalpataru have announced OI worth INR65.8bn /INR49.6bn till date. BHEL announced order intake of INR233.4bn, of which INR210bn was for the EPC package order from Meja Urja Nigam Pvt (3x800MW thermal plant). In the defense segment, activity remains steady with BEL announcing OI worth INR35bn for Q1FY27, including INR12.5bn order received from the Indian Army for supply of ground-based mobile ELINT systems (GBMES). While the enquiry pipeline remains robust across power T&D, data centers, B&F and defense, we remain watchful of the pace of order conversion in domestic as well as export markets such as the Middle East and SAARC, where geopolitical uncertainties could delay order finalization for EPC and industrial machinery companies.

**T&D-related product companies are expected to strong growth ~24% YoY**, driven by ~26%/~38% YoY growth in GVTD/Hitachi Energy India owing to strong domestic T&D demand and execution of a healthy order book. EBITDA margin is likely to contract YoY due to lower gross margin. OI for T&D product companies is expected to be driven by data centers, power T&D, electronics, etc.

**Industrial machinery companies are expected to report moderate revenue growth of ~12% YoY in Q1FY27**, supported by healthy domestic demand, partly offset by continued weakness in export markets amid the Middle East conflict. EBITDA margin is likely to contract YoY due to supply chain disruptions, elevated commodity prices and higher freight and insurance costs arising from geopolitical uncertainties. While enquiry pipelines remain healthy, order inflows are expected to stay subdued during the quarter owing to delays in order conversion.

**Project companies are expected to report revenue growth of ~8% YoY (ex-L&T: ~10%)** impacted by slower execution amid supply chain disruptions linked to the Middle East conflict and labor availability issues due to state elections in select regions. EBITDA margin is likely to contract YoY owing to elevated raw material prices, higher freight costs and supply chain challenges. OI is likely to remain sluggish for Q1FY27 due to finalization delays. We remain watchful of the execution momentum going ahead, as supply chain challenges and labor shortages reported by several EPC players could continue to weigh on project execution.

**Revenue of industrial consumables companies growth likely to improve ~8% YoY**, driven by resilient domestic demand and anti-dumping duties on Chinese imports in some countries, partially offset by muted performance from international subsidiaries. EBITDA margin is likely to expand YoY driven by better operating leverage and product mix.

**Defense companies are likely to report revenue growth of ~9% YoY**, driven by the healthy execution of order backlog. EBITDA margin is likely to contract YoY due to lower gross margin. BEL announced OI worth INR35bn for Q1FY27, including INR12.5bn order received from the Indian Army for supply of GBMES. The recent AoN approved by DAC for capital acquisition proposals worth ~INR520bn, is expected to translate into incremental OI, 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 like ALH, AMCA and QRSAM.

### Top picks

**Bharat Electronics:** We remain positive on long-term growth story of BEL given the 1) strong order backlog of INR738.8bn (2.7x TTM revenue), providing multi-year revenue visibility; 2) healthy pipeline comprising QRSAM, NGC systems, MFRX radars, P75I submarine programs, etc.; 3) diversification in non-defense verticals like data centers, cybersecurity, drones and quantum communication to aid non-defense growth; and 4) government focus on product indigenization and import substitution, supporting long-term growth visibility. We expect the company to report revenue/adj PAT CAGR of 16.7%/16.9% over FY26-28E. We maintain 'Accumulate' rating on the stock valuing the stock at PE of 40x Mar'28E, arriving at TP of INR453.

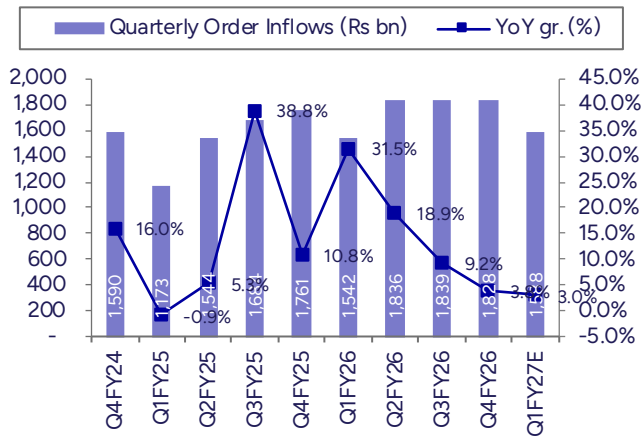
**Engineers India:** We believe EIL's long-term growth prospects remain intact given the 1) strong order book prospects in non-oil & gas and oil & gas projects; 2) strong traction in overseas consultancy business from the Middle East & Africa region; 3) opportunities in energy transition & infrastructure; and 4) lean balance sheet. We expect the company to report revenue/Adj PAT CAGR of 19.7%/26.7% over FY26-28E. We maintain 'BUY' rating valuing the Consultancy/Turnkey segments at PE of 22x/10x Mar'28E and arriving at SoTP-derived TP of INR271.

## Exhibit 1: Q1FY27E Summary

(INR mn)	Sales			EBITDA			PBT			Adj. PAT		
	Q1FY27	YoY gr.	QoQ gr.	Q1FY27	YoY gr.	QoQ gr.	Q1FY27	YoY gr.	QoQ gr.	Q1FY27	YoY gr.	QoQ gr.
<b>T&amp;D-related Product companies</b>												
APR IN	61,416	20.3%	-7.0%	5,417	19.8%	4.3%	4,127	17.1%	14.7%	3,087	17.4%	11.1%
ENRIN IN	22,311	25.0%	-6.8%	4,596	35.1%	-9.8%	4,687	33.2%	-8.7%	3,506	33.5%	-8.4%
GVTD IN	16,782	26.2%	2.5%	4,430	14.3%	-0.4%	4,500	15.4%	-2.8%	3,366	15.6%	-3.1%
VAMP IN	4,656	9.9%	-24.6%	647	-10.9%	-29.4%	898	-14.2%	16.0%	678	-14.8%	22.6%
POWERIND IN	20,393	37.9%	-26.0%	2,855	73.8%	-36.2%	3,103	66.6%	-34.7%	2,312	66.8%	-34.7%
<b>Industrial Machinery/product companies</b>												
ABB IN	35,032	10.3%	10.0%	4,589	10.8%	12.4%	5,214	10.0%	12.9%	3,858	9.6%	12.9%
ELEQ IN	9,776	12.8%	-12.1%	1,418	17.1%	-18.6%	1,371	19.5%	-17.1%	1,013	18.3%	-20.9%
INGR IN	3,563	13.0%	18.9%	841	13.3%	21.8%	889	11.8%	21.7%	663	12.4%	22.9%
KKC IN	32,976	13.4%	9.5%	7,123	14.2%	10.9%	8,398	15.7%	2.4%	6,340	14.1%	1.4%
KKPC IN	3,285	16.6%	-53.9%	443	33.2%	-76.2%	442	30.1%	-75.9%	330	30.3%	-76.5%
PRJ IN	6,571	2.6%	-22.2%	237	-33.6%	1.6%	42	-56.7%	-73.1%	31	-41.8%	-59.3%
SIEM IN	46,119	12.3%	-0.1%	5,488	6.1%	22.2%	6,098	8.8%	32.1%	4,561	9.5%	27.0%
TMX IN	24,227	15.3%	-29.1%	1,987	17.4%	-45.1%	1,657	6.3%	-48.1%	1,242	10.1%	-46.9%
TRIV IN	4,343	17.0%	-36.1%	743	0.9%	-42.0%	889	1.8%	-34.0%	662	2.7%	-35.0%
<b>Industrial Consumables Companies</b>												
CU IN	12,733	4.5%	-8.9%	1,299	7.1%	-9.9%	809	4.2%	-15.9%	666	7.7%	-35.1%
GWN IN	7,846	11.5%	-6.8%	1,506	16.0%	-8.3%	1,465	16.6%	-7.2%	1,101	16.0%	-7.3%
HARSHA IN	4,138	13.3%	-12.7%	654	17.9%	-10.9%	594	11.9%	-9.2%	444	17.1%	-6.0%
<b>Project Companies</b>												
BHEL IN	64,378	17.3%	-47.7%	-1,159	NA	NA	-1,959	NA	NA	-1,159	NA	NA
ENGR IN	9,960	14.4%	7.5%	986	36.8%	-35.1%	1,266	30.1%	-37.7%	1,093	67.1%	-44.1%
KECI IN	49,818	-0.8%	-22.0%	3,188	-8.9%	-28.8%	1,098	-30.7%	-57.4%	846	-32.1%	-56.1%
KPIL IN	53,364	5.9%	-23.4%	4,536	5.9%	-32.5%	2,876	4.9%	-44.2%	2,128	6.0%	-41.4%
LT IN	6,84,292	7.5%	-17.3%	65,299	3.4%	-24.2%	62,099	6.0%	-25.6%	38,229	5.7%	-27.5%
<b>Defense Companies</b>												
BEML IN	7,169	13.1%	-60.0%	-380	NA	NA	-620	NA	NA	-470	NA	NA
BHE IN	49,132	11.2%	-51.7%	13,806	11.3%	-53.4%	14,402	11.7%	-50.4%	10,773	11.2%	-51.1%
HNAL IN	51,467	6.8%	-63.1%	13,433	4.7%	-73.4%	20,222	9.7%	-63.7%	15,125	9.3%	-64.0%

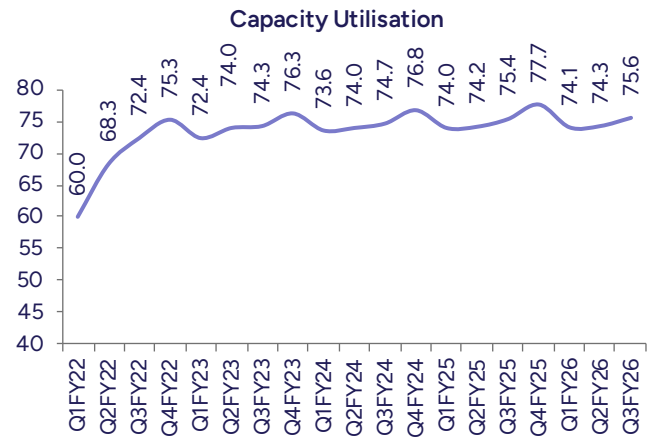
Source: Company, PL

Exhibit 2: Finalization delays to impact OI growth in Q1FY27E



Source: Company, PL

Exhibit 3: Capacity utilization remains stable



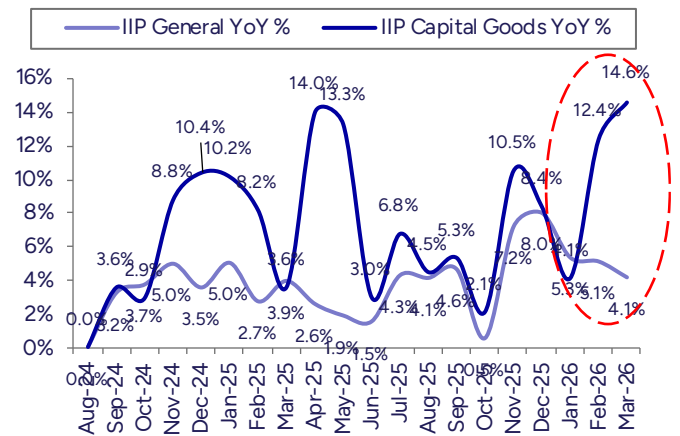
Source: Company, PL

Exhibit 4: Macro activity to remain healthy with new projects

INR trn	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
New projects	11.3	10.2	14.4	14.2	14.6
YoY gr.	220%	4%	36%	-42%	29%
Completed projects	2.4	2.0	2.0	4.4	2.0
YoY gr.	226%	56%	37%	61%	-18%
Stalled projects	0.1	0.0	0.3	0.0	0.0
YoY gr.	-87%	-96%	33%	-98%	-99%
Revived projects	1.4	0.6	0.5	2.2	0.4
YoY gr.	404%	45%	9%	-10%	-68%

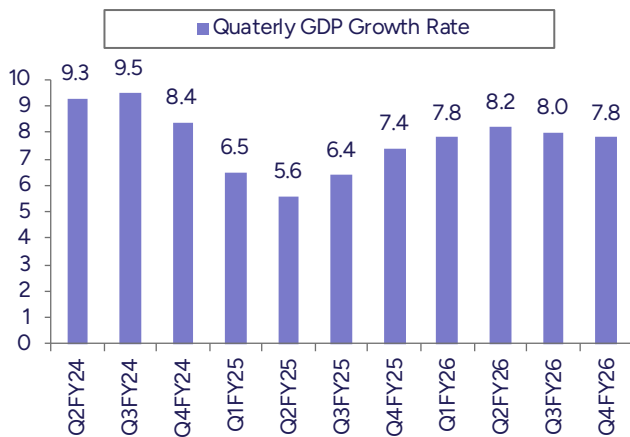
Source: Industry, PL

Exhibit 5: IIP for cap goods on upward trend



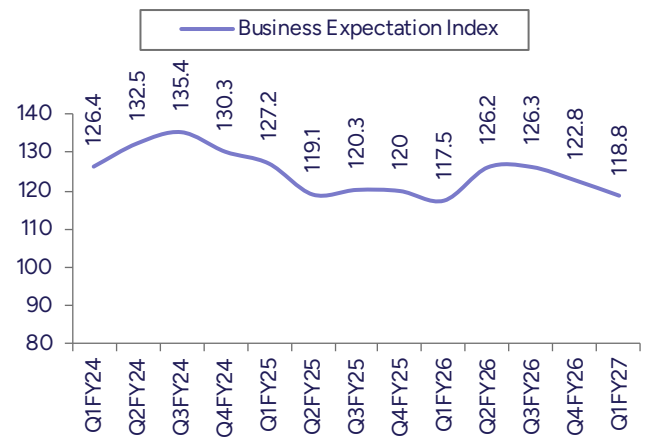
Source: Industry, PL

Exhibit 6: GDP growth softens in Q4FY26 (%)



Source: Industry, PL

Exhibit 7: Business expectation remains steady in Q1FY27



Source: Industry, PL

**Exhibit 8: Q1FY27 Result Preview (INR mn)**

Company Name		Q1FY27E	Q1FY26	YoY gr. (%)	Q4FY26	QoQ gr. (%)	Remark
ABB India	Sales	35,032	31,754	10.3	31,841	10.0	We expect ABB to register a revenue growth of ~10% YoY driven by healthy execution Electrification and Motion division. EBITDA margin is likely to remain flattish YoY due to lower gross margin (impacted by higher input cost) and higher employee expenses. Management's commentary on order inflows across base orders and large orders, execution pace across key segments and higher commodity prices will be key monitorable
	EBITDA	4,589	4,141	10.8	4,084	12.4	
	Margin (%)	13.1	13.0	6 bps	12.8	27 bps	
	PBT	5,214	4,741	10.0	4,619	12.9	
	Adj. PAT	3,858	3,521	9.6	3,419	12.9	
Apar Industries	Sales	61,416	51,042	20.3	66,028	(7.0)	We expect Apar Industries to report ~20% YoY revenue growth, driven by healthy momentum in conductors and cables, partly offset by weakness in transformer oils. EBITDA margins are likely to remain flattish YoY due to higher raw material costs and supply chain disruptions. Key monitorable include demand outlook, impact of the Middle East conflict, and deployment of the INR25bn fundraise.
	EBITDA	5,417	4,523	19.8	5,194	4.3	
	Margin (%)	8.8	8.9	-4 bps	7.9	95 bps	
	PBT	4,127	3,525	17.1	3,598	14.7	
	Adj. PAT	3,087	2,629	17.4	2,780	11.1	
Bharat Electronics	Sales	49,132	44,168	11.2	1,01,772	(51.7)	We expect BEL to report a revenue growth of ~11% YoY driven by healthy execution of its strong order book. EBITDA margin is likely to remain flattish YoY due to lower gross margin offset by better operating leverage. During the quarter, BEL announced orders worth ~INR35bn including INR12.5bn order from Indian Army for GBMES. Going ahead, major developments and timeline across upcoming programs such as QRSAM, AMCA, next gen corvettes, submarines and Kusha along with execution pace of current order book will be key monitorable
	EBITDA	13,806	12,399	11.3	29,624	(53.4)	
	Margin (%)	28.1	28.1	3 bps	29.1	-101 bps	
	PBT	14,402	12,892	11.7	29,038	(50.4)	
	Adj. PAT	10,773	9,691	11.2	22,032	(51.1)	
BEML	Sales	7,169	6,340	13.1	17,942	(60.0)	We expect BEML to register a revenue growth of ~13% YoY driven by healthy execution ramp up across ongoing projects. EBITDA margin is likely to be impacted due to lower gross margin amid ongoing supply chain issues. Management's commentary regarding order prospects across its segments, execution pace of key projects, higher raw material prices and supply chain issues will be key monitorable
	EBITDA	-380	-493	NA	4,429	NA	
	Margin (%)	-5.3	-7.8	247 bps	24.7	-2999 bps	
	PBT	-620	-703	NA	4,163	NA	
	Adj. PAT	-470	-641	NA	3,056	NA	
BHEL	Sales	64,378	54,869	17.3	1,23,104	(47.7)	We expect BHEL to report a revenue growth of ~17% YoY drive by strong execution in its Power segment. EBITDA margin is likely to be impacted due to weaker operating leverage. During the quarter, BHEL has announced order inflow of INR233bn including ~INR210bn EPC package order received from Meja Urja Nigam. BHEL's execution pace in its Power and industry segment, order prospects and working capital management will be key monitorable.
	EBITDA	-1,159	-5,371	NA	17,531	NA	
	Margin (%)	-1.8	-9.8	799 bps	14.2	-1604 bps	
	PBT	-1,959	-6,074	NA	17,198	NA	
	Adj. PAT	-1,159	-4,549	NA	12,827	NA	
Carborundum Universal	Sales	12,733	12,190	4.5	13,984	(8.9)	We expect Carborundum Universal to report a revenue growth of ~5% YoY driven by healthy performance in Ceramics business partially offset by weakness in Electrominerals. EBITDA margin is likely to improve by ~25bps YoY aided by better operating leverage. Management's commentary regarding the performance of CUMI's key subsidiaries, VAW sanctions, capacity expansion and domestic outlook will be key monitorable.
	EBITDA	1,299	1,213	7.1	1,442	(9.9)	
	Margin (%)	10.2	9.9	25 bps	10.3	-11 bps	
	PBT	809	776	4.2	961	(15.9)	
	Adj. PAT	666	619	7.7	1,027	(35.1)	
Elgi Equipments	Sales	9,776	8,667	12.8	11,126	(12.1)	We expect Elgi Equipments to report a revenue growth of ~13% YoY driven by healthy demand across domestic and RoW. EBITDA margin is likely to expand by ~50bps YoY owing to price hike taken amid higher commodity price and better operating leverage. Management's commentary on domestic outlook, order conversion, performance of Europe & US business, along with new product pipeline and launches will be key monitorable
	EBITDA	1,418	1,211	17.1	1,742	(18.6)	
	Margin (%)	14.5	14.0	53 bps	15.7	-116 bps	
	PBT	1,371	1,147	19.5	1,653	(17.1)	
	Adj. PAT	1,013	856	18.3	1,280	(20.9)	
Engineers India	Sales	9,960	8,704	14.4	9,263	7.5	We expect EIL to clock a revenue growth of ~14% YoY driven by strong execution overseas and domestic consultancy business. EBITDA margin is likely to expand by ~162bps YoY better gross margin and operating leverage. Management's commentary on order prospects, order inflows, domestic and international market, Non- O&G opportunities and key order size opportunities from Saudi Aramco will be key monitorable
	EBITDA	986	721	36.8	1,518	(35.1)	
	Margin (%)	9.9	8.3	162 bps	16.4	-649 bps	
	PBT	1,266	973	30.1	2,033	(37.7)	
	Adj. PAT	1,093	654	67.1	1,955	(44.1)	
GE Vernova T&D India	Sales	16,782	13,301	26.2	16,371	2.5	We expect GVTD to report a revenue growth of ~26% YoY driven by strong execution of a healthy order book. EBITDA margin is expected to contract by ~274bps YoY against higher base benefited from export. Management's commentary on execution of its current order book, domestic and export markets, capex and capacity expansion, updates on HVDC projects along with data center related opportunities will be key monitorable
	EBITDA	4,430	3,876	14.3	4,449	(0.4)	
	Margin (%)	26.4	29.1	-274 bps	27.2	-78 bps	
	PBT	4,500	3,900	15.4	4,630	(2.8)	
	Adj. PAT	3,366	2,912	15.6	3,475	(3.1)	

Company Name		Q1FY27E	Q1FY26	YoY gr. (%)	Q4FY26	QoQ gr. (%)	Remark
Grindwell Norton	Sales	7,846	7,035	11.5	8,422	(6.8)	We anticipate GWN to clock a revenue growth of ~12% YoY led by strong growth in Ceramics & Plastics and Digital Services businesses. EBITDA margin is likely to expand by 74bps YoY due to better operating leverage. Management's commentary regarding domestic and international demand outlook, capacity expansion, export opportunities, new emerging opportunities and impact of Chinese dumping will be key monitorable.
	EBITDA	1,506	1,299	16.0	1,642	(8.3)	
	Margin (%)	19.2	18.5	74 bps	19.5	-30 bps	
	PBT	1,465	1,256	16.6	1,578	(7.2)	
	Adj. PAT	1,101	949	16.0	1,187	(7.3)	
Harsha Engineers International	Sales	4,138	3,653	13.3	4,739	(12.7)	We expect Harsha Engineers to report a revenue growth of ~13% YoY driven by better engineering execution in foreign subsidiaries partially offset by slightly weaker YoY performance in India engineering. EBITDA margin is likely to expand by ~60bps YoY driven by favorable product mix. Management's commentary regarding subsidiaries' performance, domestic & export demand and utilization ramp up of new Advantek facility will be key monitorable
	EBITDA	654	554	17.9	734	(10.9)	
	Margin (%)	15.8	15.2	63 bps	15.5	31 bps	
	PBT	594	531	11.9	654	(9.2)	
	Adj. PAT	444	379	17.1	472	(6.0)	
Hindustan Aeronautics	Sales	51,467	48,190	6.8	1,39,424	(63.1)	We expect HAL to report a revenue growth of ~7% YoY driven by healthy execution of its order book. EBITDA margin likely to contract by ~50bps due to revenue mix and higher other expenses amid disrupted supply chain issues. Management's commentary on status of GE engines and deliveries of Tejas Mk1A & HTT-40, working capital as well as on execution ramp-up, capacity expansion and any major provision will be key monitorable.
	EBITDA	13,433	12,824	4.7	50,586	(73.4)	
	Margin (%)	26.1	26.6	-51 bps	36.3	-1018 bps	
	PBT	20,222	18,440	9.7	55,706	(63.7)	
	Adj. PAT	15,125	13,838	9.3	41,960	(64.0)	
Hitachi Energy India	Sales	20,393	14,789	37.9	27,541	(26.0)	Hitachi Energy is expected to clock a robust revenue growth of ~38% YoY driven by execution of a strong order book. EBITDA margin is expected to expand by ~290bps YoY driven by favorable product mix and operating leverage. Management's commentary on HVDC order execution, inflows, capex & capacity expansion, data center ordering and order prospects along with domestic and export demand outlook will remain key monitorable.
	EBITDA	2,855	1,643	73.8	4,478	(36.2)	
	Margin (%)	14.0	11.1	289 bps	16.3	-226 bps	
	PBT	3,103	1,862	66.6	4,749	(34.7)	
	Adj. PAT	2,312	1,386	66.8	3,539	(34.7)	
Ingersoll-Rand (India)	Sales	3,563	3,153	13.0	2,996	18.9	We expect INGR to report a revenue growth of ~13% YoY driven by volume growth amid operationalization of its new capacity. EBITDA margin is expected to remain flattish YoY due to higher other expenses. INGR's execution pace, utilization of new capacity, impact of higher commodity prices and demand outlook for air compressors will be key monitorable
	EBITDA	841	742	13.3	690	21.8	
	Margin (%)	23.6	23.5	6 bps	23.0	56 bps	
	PBT	889	796	11.8	731	21.7	
	Adj. PAT	663	590	12.4	539	22.9	
KEC International	Sales	49,818	50,229	-0.8	63,898	(22.0)	We expect KEC to report a revenue degrowth of ~1% YoY on weaker execution in domestic projects due to labor unavailability and impact on execution of Middle East projects. EBITDA margin is likely to contract by 60bps YoY due to labor issue and higher RM prices. Management commentary on execution pace, labor availability, payment collections in water, execution status on legacy projects and the non-T&D order pipeline will be key monitorables.
	EBITDA	3,188	3,501	-8.9	4,481	(28.8)	
	Margin (%)	6.4	7.0	-57 bps	7.0	-61 bps	
	PBT	1,098	1,585	-30.7	2,577	(57.4)	
	Adj. PAT	846	1,246	-32.1	1,928	(56.1)	
Cummins India	Sales	32,976	29,068	13.4	30,112	9.5	We expect Cummins to report a revenue growth of ~14% YoY (against higher base), driven by growth in domestic sales in power gen and industrial with some softness expected in exports amid Middle East war. EBITDA margin will be likely to remain flattish YoY. Management's commentary regarding demand in domestic and export markets, price and volume level of CPCB IV, competition intensity, order momentum in data center, price hikes and demand sustainability will be key monitorable
	EBITDA	7,123	6,235	14.2	6,422	10.9	
	Margin (%)	21.6	21.4	15 bps	21.3	27 bps	
	PBT	8,398	7,258	15.7	8,202	2.4	
	Adj. PAT	6,340	5,555	14.1	6,255	1.4	
Kalpataru Projects International	Sales	53,364	50,397	5.9	69,640	(23.4)	We expect Kalpataru's standalone revenue to grow by ~6% YoY driven by healthy execution B&F business offset by softness in domestic T&D amid Middle East war. EBITDA margin is likely to remain flattish YoY. Management's commentary on order booking momentum, collection in water business, divestment of Shubham logistic and net working capital will be key monitorable.
	EBITDA	4,536	4,284	5.9	6,719	(32.5)	
	Margin (%)	8.5	8.5	0 bps	9.6	-115 bps	
	PBT	2,876	2,742	4.9	5,157	(44.2)	
	Adj. PAT	2,128	2,008	6.0	3,629	(41.4)	
Kirloskar Pneumatic Company	Sales	3,285	2,817	16.6	7,118	(53.9)	We expect KKPC to report a revenue growth of ~17% YoY led by strong growth in Air and Refrigeration compressors partially offset by continued weakness in gas compression business. EBITDA margin is likely to expand by ~170bps on account of better product mix and operating leverage. Management's commentary on scale up of new products, demand outlook across segments, launch and scale up on new products and its new precision engineering segment will be key monitorable.
	EBITDA	443	333	33.2	1,860	(76.2)	
	Margin (%)	13.5	11.8	168 bps	26.1	-1263 bps	
	PBT	442	340	30.1	1,834	(75.9)	
	Adj. PAT	330	253	30.3	1,405	(76.5)	

Company Name		Q1FY27E	Q1FY26	YoY gr. (%)	Q4FY26	QoQ gr. (%)	Remark
Larsen & Toubro	Sales	6,84,292	6,36,789	7.5	8,27,622	(17.3)	We expect L&T to report modest consolidated revenue growth of ~8% YoY led by ~5% YoY growth in its PP&M business amid current geopolitical uncertainty. EBITDA margin is likely to contract by 40bps YoY on account of slower execution and supply chain disruptions amid Middle East war. Management's commentary on execution revival in Middle East, order prospects across segments, execution pace and L&T's exit from Nabha Power & progress of stake sale in Hyderabad metro will be key monitorable
	EBITDA	65,299	63,177	3.4	86,103	(24.2)	
	Margin (%)	9.5	9.9	-38 bps	10.4	-86 bps	
	PBT	62,099	58,595	6.0	83,416	(25.6)	
	Adj. PAT	38,229	36,172	5.7	52,740	(27.5)	
Praj Industries	Sales	6,571	6,402	2.6	8,446	(22.2)	We expect Praj to report a revenue growth of ~3% YoY due to weaker execution pace in Engineering and Bio-Energy segment. EBITDA margin is likely to contract by 200bps largely due to execution delays in existing projects and higher site-related costs. Management's commentary on execution pace, order pipeline in Genx and data center, order conversion, liquidity challenges in domestic market will be key monitorable
	EBITDA	237	356	-33.6	233	1.6	
	Margin (%)	3.6	5.6	-196 bps	2.8	84 bps	
	PBT	42	96	-56.7	155	(73.1)	
	Adj. PAT	31	53	-41.8	76	(59.3)	
Siemens	Sales	46,119	41,073	12.3	46,175	(0.1)	We expect Siemens to register revenue growth of ~12% YoY led by healthy execution in smart infra and mobility segments. EBITDA margin likely to contract by ~70bps due to INR depreciation, elevated commodity prices and supplier-led inflation. Management's commentary related to execution across segments, data center demand, execution of locomotive order and order pipeline will be key monitorable
	EBITDA	5,488	5,172	6.1	4,491	22.2	
	Margin (%)	11.9	12.6	-69 bps	9.7	217 bps	
	PBT	6,098	5,605	8.8	4,615	32.1	
	Adj. PAT	4,561	4,167	9.5	3,592	27.0	
Siemens Energy India	Sales	22,311	17,846	25.0	23,941	(6.8)	We expect Siemens energy to register a revenue growth of ~25% YoY led by strong execution in Power transmission and generation segment. EBITDA margin is likely to expand by ~150bps YoY led by favorable revenue mix and lower employee expenses. Management's commentary regarding order pipeline, demand outlook in both segment, status of capacity expansion and HVDC pipeline will be key monitorable
	EBITDA	4,596	3,403	35.1	5,094	(9.8)	
	Margin (%)	20.6	19.1	153 bps	21.3	-68 bps	
	PBT	4,687	3,520	33.2	5,133	(8.7)	
	Adj. PAT	3,506	2,627	33.5	3,829	(8.4)	
Thermax	Sales	24,227	21,017	15.3	34,157	(29.1)	We anticipate Thermax to register a revenue growth of ~15% YoY driven by healthy execution across segments. EBITDA margin is likely to remain flattish YoY due to rising raw material costs and supply chain disruptions. Management's commentary regarding execution pace, order conversion in Industrial infra and data centers, execution of legacy order book of FGD and BioCNG projects, current demand outlook and performance of subsidiaries will be key monitorable.
	EBITDA	1,987	1,693	17.4	3,620	(45.1)	
	Margin (%)	8.2	8.1	15 bps	10.6	-240 bps	
	PBT	1,657	1,558	6.3	3,193	(48.1)	
	Adj. PAT	1,242	1,128	10.1	2,338	(46.9)	
Triveni Turbine	Sales	4,343	3,713	17.0	6,796	(36.1)	We expect Triveni turbine to report a revenue growth of ~17% YoY likely to be driven by execution of domestic (NTPC order) and exports orders. EBITDA margin will likely to be contracted by ~270bps largely due to execution of lower margin NTPC order and lower gross margin. Management's commentary on order finalization, deliveries, and aftermarket business along with impact of Middle East war on API drive turbine business will be key monitorable.
	EBITDA	743	736	0.9	1,280	(42.0)	
	Margin (%)	17.1	19.8	-272 bps	18.8	-173 bps	
	PBT	889	873	1.8	1,347	(34.0)	
	Adj. PAT	662	645	2.7	1,019	(35.0)	
Voltamp Transformers	Sales	4,656	4,236	9.9	6,172	(24.6)	We expect Voltamp to report a revenue growth of ~10% YoY on account of execution of healthy order backlog. EBITDA margin is expected to contract by ~325 bps YoY due to higher RM prices amid supply chain disruptions. The management's commentary regarding volume growth, capacity operationalization, competitive intensity and pricing pressure in the domestic transformer industry will be key areas to monitor.
	EBITDA	647	726	-10.9	917	(29.4)	
	Margin (%)	13.9	17.1	-325 bps	14.9	-96 bps	
	PBT	898	1,046	-14.2	774	16.0	
	Adj. PAT	678	795	-14.8	553	22.6	

Source: Company, PL

**Exhibit 9: 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)			
						FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E
ABB India*	S	HOLD	6,772	6,523	1,434.9	1,25,038	1,43,135	1,65,192	1,90,507	19,738	22,572	27,091	31,815	16,183	19,071	22,754	26,616	76.4	90.0	107.4	125.6	21.7	22.6	23.2	23.3	88.7	75.2	63.1	53.9
Apar Industries	C	Hold	13,443	13,310	540.0	1,85,812	2,29,021	2,81,583	3,28,372	15,474	18,994	22,473	26,841	8,213	10,193	12,223	14,947	204.5	253.8	304.3	372.1	19.6	20.6	21.0	22.1	65.7	53.0	44.2	36.1
Bharat Electronics	S	Accumulate	408	453	2,979.5	2,36,580	2,74,796	3,21,175	3,74,114	67,676	80,153	91,567	1,06,772	52,883	60,485	70,593	82,716	7.2	8.3	9.7	11.3	29.6	27.9	26.9	26.6	56.3	49.3	42.2	36.0
BEML	C	Accumulate	1,776	1,940	147.9	40,222	43,505	50,039	59,235	5,057	5,562	7,156	9,365	2,925	3,236	4,536	5,984	35.1	38.8	54.5	71.8	10.5	11.1	14.9	17.5	50.6	45.7	32.6	24.7
BHEL	S	Reduce	378	321	1,315.5	2,83,395	3,37,822	4,33,761	5,34,887	12,416	23,422	46,716	70,445	5,130	15,780	32,515	48,666	1.5	4.5	9.3	14.0	2.1	6.1	11.6	15.2	256.5	83.4	40.5	27.0
Carborundum Universal	C	Reduce	1,081	986	205.6	48,942	52,063	54,321	59,829	7,118	5,833	7,551	9,154	3,552	2,705	4,120	5,093	18.7	14.2	21.6	26.7	10.7	7.3	10.2	11.6	57.9	76.0	50.0	40.4
Elgi Equipments	C	Accumulate	576	637	182.4	35,104	39,507	44,665	50,470	5,249	5,791	7,057	8,176	3,502	4,181	4,922	5,770	11.1	13.2	15.5	18.2	20.1	20.4	20.1	20.0	52.1	43.6	37.1	31.6
Engineers India	C	Buy	235	271	132.1	30,876	37,017	43,747	53,008	4,297	4,472	6,365	8,349	5,180	5,047	6,671	8,097	9.2	9.0	11.9	14.4	21.0	17.4	20.3	22.4	25.5	26.2	19.8	16.3
GE Vernova T&D India	S	Accumulate	4,467	4,650	1,143.7	42,923	62,063	82,261	1,02,615	8,337	16,836	20,113	24,781	6,233	12,968	14,965	18,318	24.3	50.6	58.4	71.5	41.3	58.1	46.6	41.8	183.5	88.2	76.4	62.4
Grindwell Norton	C	Accumulate	2,018	2,002	223.4	28,116	30,732	34,697	39,209	5,131	5,747	6,551	7,508	3,687	4,164	4,799	5,541	33.3	37.6	43.3	50.0	17.1	17.4	17.9	18.5	60.6	53.7	46.6	40.3
Harsha Engineers International	C	Hold	418	461	38.0	14,077	16,268	18,494	21,091	1,749	2,456	2,847	3,297	1,170	1,612	1,800	2,099	12.8	17.7	19.8	23.1	9.6	12.1	12.1	12.7	32.5	23.6	21.1	18.1
Hindustan Aeronautics	C	BUY	4,365	5,423	2,919.0	3,09,810	3,30,888	3,69,597	4,38,755	96,081	97,698	1,08,292	1,27,678	83,254	91,156	92,653	1,03,622	124.5	136.3	138.5	154.9	26.0	24.0	20.9	20.3	35.1	32.0	31.5	28.2
Hitachi Energy India	S	Reduce	31,755	30,768	1,415.4	63,849	81,477	1,16,178	1,56,621	5,958	12,564	18,821	26,939	4,126	9,442	14,706	21,098	92.6	211.8	329.9	473.4	14.8	20.1	24.9	27.5	343.0	149.9	96.2	67.1
Ingersoll-Rand (India)	S	Accumulate	4,360	4,934	137.6	13,363	13,924	16,385	18,707	3,405	3,334	3,990	4,733	2,675	2,648	3,118	3,708	84.7	83.9	98.8	117.5	45.0	43.2	48.9	52.2	51.5	52.0	44.1	37.1
KEC International	C	Accumulate	487	558	129.6	2,18,467	2,35,055	2,63,219	2,97,800	15,039	16,586	18,425	23,228	5,519	6,507	7,298	10,609	20.7	24.4	27.4	39.9	11.7	11.3	11.3	14.6	23.5	19.9	17.8	12.2
Cummins India	S	Reduce	5,499	5,133	1,524.2	1,03,394	1,21,432	1,38,906	1,60,665	20,680	25,949	30,115	34,832	19,058	23,561	27,287	31,621	68.8	85.0	98.4	114.1	28.9	31.6	31.0	30.5	80.0	64.7	55.9	48.2
Kalpataru Projects International	S	Buy	1,332	1,466	227.5	1,88,879	2,32,101	2,66,691	3,15,220	15,870	20,287	23,602	29,158	6,718	10,011	11,364	14,750	39.3	58.6	66.5	86.4	10.4	13.0	13.1	15.1	33.9	22.7	20.0	15.4
Kirloskar Pneumatic Company	C	BUY	1,745	1,715	113.2	16,402	17,867	20,933	24,468	2,919	3,571	4,061	4,727	2,151	2,684	2,955	3,472	33.2	41.4	45.6	53.6	21.3	22.9	21.8	21.9	52.6	42.2	38.3	32.6
Larsen & Toubro	C	BUY	3,892	4,632	5,354.1	25,57,345	28,58,744	31,73,199	36,08,526	2,64,347	2,91,511	3,24,583	3,92,496	1,46,810	1,73,544	1,86,368	2,39,653	106.7	126.2	135.5	174.2	16.0	16.8	15.8	17.3	36.5	30.9	28.7	22.3
Praj Industries	C	Accumulate	355	389	65.3	32,280	31,679	35,161	40,876	3,145	1,518	3,147	4,149	1,983	364	1,934	2,750	10.8	2.0	10.5	15.0	14.9	2.7	13.8	17.4	32.9	179.2	33.8	23.7
Siemens**	C	HOLD	3,446	3,750	1,226.8	1,51,113	1,74,559	2,04,709	2,43,219	18,912	20,205	25,261	31,242	16,540	15,972	21,866	26,185	46.5	44.9	61.4	73.6	11.9	11.5	14.9	15.7	74.2	76.8	56.1	46.9
Siemens Energy India#	C	Accumulate	3,359	3,274	1,195.7	78,267	97,849	1,23,158	1,49,642	15,029	20,203	25,700	31,825	10,923	14,942	18,857	23,543	30.7	42.0	53.0	66.1	28.8	30.1	29.9	29.3	109.5	80.0	63.4	50.8
Thermax	C	Reduce	4,603	3,969	548.4	1,03,231	1,06,260	1,22,876	1,45,115	8,422	9,581	11,489	14,337	5,880	6,170	7,978	9,312	49.3	51.8	67.0	78.2	12.5	11.8	13.6	14.2	93.3	88.9	68.7	58.9
Triveni Turbine	C	Hold	613	638	195.0	20,058	21,811	24,637	28,905	4,367	4,503	5,447	6,506	3,571	3,626	4,455	5,340	11.2	11.4	14.0	16.8	32.8	27.2	28.0	28.0	54.6	53.8	43.8	36.5
Voltamp Transformers	S	Accumulate	9,390	10,503	95.0	19,342	21,537	25,213	29,727	3,662	3,708	3,958	4,727	3,254	3,171	3,418	4,087	321.6	313.4	337.8	404.0	22.1	18.8	17.9	18.7	29.2	30.0	27.8	23.2

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

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 10: Change in Estimates

	Rating		Target Price			Sales (INR mn)						PAT (INR mn)						EPS (INR)					
						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.			
ABB India*	HOLD	HOLD	6,523	6,523	0.0%	1,65,192	1,65,192	0.0%	1,90,507	1,90,507	0.0%	22,754	22,754	0.0%	26,616	26,616	0.0%	107.4	107.4	0.0%	125.6	125.6	0.0%
Apar Industries	Hold	Hold	13,310	13,309	0.0%	2,81,583	2,81,583	0.0%	3,28,372	3,28,372	0.0%	12,223	12,223	0.0%	14,947	14,947	0.0%	304.3	304.3	0.0%	372.1	372.1	0.0%
Bharat Electronics	Accumulate	Accumulate	453	453	0.0%	3,21,175	3,21,175	0.0%	3,74,114	3,74,114	0.0%	70,593	70,593	0.0%	82,716	82,716	0.0%	9.7	9.7	0.0%	11.3	11.3	0.0%
BEML	Accumulate	Accumulate	1,940	1,940	0.0%	50,039	50,039	0.0%	59,235	59,235	0.0%	4,536	4,536	0.0%	5,984	5,984	0.0%	54.5	54.5	0.0%	71.8	71.8	0.0%
BHEL	Reduce	Reduce	321	321	0.0%	4,33,761	4,33,761	0.0%	5,34,887	5,34,887	0.0%	32,515	32,515	0.0%	48,666	48,666	0.0%	9.3	9.3	0.0%	14.0	14.0	0.0%
Carborundum Universal	Reduce	Reduce	986	986	0.0%	54,321	54,321	0.0%	59,829	59,829	0.0%	4,120	4,120	0.0%	5,093	5,093	0.0%	21.6	21.6	0.0%	26.7	26.7	0.0%
Elgi Equipments	Accumulate	Accumulate	637	637	0.0%	44,665	44,665	0.0%	50,470	50,470	0.0%	4,922	4,922	0.0%	5,770	5,770	0.0%	15.5	15.5	0.0%	18.2	18.2	0.0%
Engineers India	Buy	Buy	271	271	0.0%	43,747	43,747	0.0%	53,008	53,008	0.0%	6,671	6,671	0.0%	8,097	8,097	0.0%	11.9	11.9	0.0%	14.4	14.4	0.0%
GE Vernova T&D India	Accumulate	Accumulate	4,650	4,650	0.0%	82,261	82,261	0.0%	1,02,615	1,02,615	0.0%	14,965	14,965	0.0%	18,318	18,318	0.0%	58.4	58.4	0.0%	71.5	71.5	0.0%
Grindwell Norton	Accumulate	Accumulate	2,002	2,002	0.0%	34,697	34,697	0.0%	39,209	39,209	0.0%	4,799	4,799	0.0%	5,541	5,541	0.0%	43.3	43.3	0.0%	50.0	50.0	0.0%
Harsha Engineers International	Hold	Hold	461	461	0.0%	18,494	18,494	0.0%	21,091	21,091	0.0%	1,800	1,800	0.0%	2,099	2,099	0.0%	19.8	19.8	0.0%	23.1	23.1	0.0%
Hindustan Aeronautics	BUY	BUY	5,423	5,423	0.0%	3,69,597	3,69,597	0.0%	4,38,755	4,38,755	0.0%	92,653	92,653	0.0%	1,03,622	1,03,622	0.0%	138.5	138.5	0.0%	154.9	154.9	0.0%
Hitachi Energy India	Reduce	Reduce	30,768	30,768	0.0%	1,16,178	1,16,178	0.0%	1,56,621	1,56,621	0.0%	14,706	14,706	0.0%	21,098	21,098	0.0%	329.9	329.9	0.0%	473.4	473.4	0.0%
Ingersoll-Rand (India)	Accumulate	Accumulate	4,934	4,934	0.0%	16,385	16,385	0.0%	18,707	18,707	0.0%	3,118	3,118	0.0%	3,708	3,708	0.0%	98.8	98.8	0.0%	117.5	117.5	0.0%
KEC International	Accumulate	Accumulate	558	558	0.0%	2,63,219	2,63,219	0.0%	2,97,800	2,97,800	0.0%	7,298	7,298	0.0%	10,609	10,609	0.0%	27.4	27.4	0.0%	39.9	39.9	0.0%
Cummins India	Reduce	Reduce	5,133	5,133	0.0%	1,38,906	1,38,906	0.0%	1,60,665	1,60,665	0.0%	27,287	27,287	0.0%	31,621	31,621	0.0%	98.4	98.4	0.0%	114.1	114.1	0.0%
Kalpataru Projects International	Buy	Buy	1,466	1,466	0.0%	2,66,691	2,66,691	0.0%	3,15,220	3,15,220	0.0%	11,364	11,364	0.0%	14,750	14,750	0.0%	66.5	66.5	0.0%	86.4	86.4	0.0%
Kirloskar Pneumatic Company	BUY	BUY	1,715	1,715	0.0%	20,933	20,933	0.0%	24,468	24,468	0.0%	2,955	2,955	0.0%	3,472	3,472	0.0%	45.6	45.6	0.0%	53.6	53.6	0.0%
Larsen & Toubro	BUY	BUY	4,632	4,632	0.0%	31,73,199	31,73,199	0.0%	36,08,526	36,08,526	0.0%	1,86,368	1,86,368	0.0%	2,39,653	2,39,653	0.0%	135.5	135.5	0.0%	174.2	174.2	0.0%
Praj Industries	Accumulate	Accumulate	389	389	0.0%	35,161	35,161	0.0%	40,876	40,876	0.0%	1,934	1,934	0.0%	2,750	2,750	0.0%	10.5	10.5	0.0%	15.0	15.0	0.0%
Siemens	HOLD	HOLD	3,750	3,750	0.0%	2,04,709	2,04,709	0.0%	2,43,219	2,43,219	0.0%	21,866	21,866	0.0%	26,185	26,185	0.0%	61.4	61.4	0.0%	73.6	73.6	0.0%
Siemens Energy India#	Accumulate	Accumulate	3,274	3,274	0.0%	1,23,158	1,23,158	0.0%	1,49,642	1,49,642	0.0%	18,857	18,857	0.0%	23,543	23,543	0.0%	53.0	53.0	0.0%	66.1	66.1	0.0%
Thermax	Reduce	Reduce	3,969	3,969	0.0%	1,22,876	1,22,876	0.0%	1,45,115	1,45,115	0.0%	7,978	7,978	0.0%	9,312	9,312	0.0%	67.0	67.0	0.0%	78.2	78.2	0.0%
Triveni Turbine	Hold	Hold	638	638	0.0%	24,637	24,637	0.0%	28,905	28,905	0.0%	4,455	4,455	0.0%	5,340	5,340	0.0%	14.0	14.0	0.0%	16.8	16.8	0.0%
Voltamp Transformers	Accumulate	Accumulate	10,503	10,503	0.0%	25,213	25,213	0.0%	29,727	29,727	0.0%	3,418	3,418	0.0%	4,087	4,087	0.0%	337.8	337.8	0.0%	404.0	404.0	0.0%

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

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ABB India	HOLD	6523	7013
2	Apar Industries	Hold	13309	13426
3	BEML	Accumulate	1940	1721
4	Bharat Electronics	Accumulate	453	413
5	BHEL	REDUCE	321	377
6	Carborundum Universal	REDUCE	986	1102
7	Cummins India	REDUCE	5133	5881
8	Elgi Equipments	Accumulate	637	573
9	Engineers India	Buy	271	232
10	GE Vernova T&D India	Accumulate	4650	4385
11	Grindwell Norton	Accumulate	2002	1840
12	Harsha Engineers International	Hold	461	439
13	Hindustan Aeronautics	BUY	5423	4386
14	Hitachi Energy India	REDUCE	30768	35995
15	Ingersoll-Rand (India)	Accumulate	4934	4352
16	Kalpataru Projects International	BUY	1466	1258
17	KEC International	Accumulate	558	499
18	Kirloskar Pneumatic Company	BUY	1715	1448
19	Larsen & Toubro	BUY	4632	4055
20	Praj Industries	Accumulate	389	352
21	Siemens	Hold	3750	3879
22	Siemens Energy India	Accumulate	3274	3086
23	Thermax	REDUCE	3969	4678
24	Triveni Turbine	HOLD	638	638
25	Voltamp Transformers	Accumulate	10503	10002

**PL's Recommendation Nomenclature (Absolute Performance)**

<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

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