PL Capital PRABHUDAS LILLADHER

Q1FY27 Result Update

Cummins India (KKC IN)

August 07, 2026

☑ Estimate Change | ☑ Target | ☑ Reco.

Mixed Q1; Price hike to cushion margin headwinds

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	Hold		Reduce	
Target Price	5,323		5,133	
Sales (INR mn)	142,102	166,157	138,906	160,665
% Chng.	*2.3*	*3.4*		
EBITDA (INR mn)	30,168	36,189	30,115	34,832
% Chng.	*0.2*	*3.9*		
EPS (INR)	98.8	118.2	98.4	114.0
% Chng.	*0.4*	*3.7*		

Quick Pointers

- Price hike undertaken in Q2 FY27 to passthrough commodity inflation, benefit expected by Q3 FY27
- Data centre accounted for ~40% of domestic Powergen revenue in Q1FY27

We revised our EPS estimates by +0.4%/+3.7% for FY27E/FY28E factoring in healthy domestic demand, strong data centre momentum and improving pricing actions, partially offset by near-term margin headwinds. Cummins India (KKC) reported a mixed quarterly performance, with revenue growing 18.1% YoY to Rs33.7bn, driven by robust domestic Power Generation demand (+35% YoY) to Rs14.2bn. However, EBITDA margins remained under pressure (-346 bps YoY to 18%) due to elevated commodity inflation, higher freight costs and supply chain disruptions, with the benefit of price hikes taken in Q2 expected to support gradual margin recovery over the coming quarters. Domestic Power Generation remained supported by manufacturing, infrastructure, mining and robust hyperscaler-led data centre demand, while Distribution expected to grow ~20% YoY , aided by rising service penetration and an expanding installed base. Industrial demand remained broad-based across railways, construction, marine and mining. Management remain cautious on exports due to weakness in the Middle East; however, enquiry momentum across Europe and Asia-Pacific remains encouraging. With healthy enquiry momentum, expanding service opportunities, improving localisation and sustained investments across data centres, railways and mining, Cummins remains well positioned for profitable long-term growth despite near-term commodity and geopolitical headwinds. The stock is currently trading at a P/E of 54.7x/45.7x for FY27/28E. We upgrade our rating from 'Reduce' to 'Hold' given the recent correction in stock price and the medium-term demand outlook remaining encouraging, aided by the growing data centre opportunity, healthy demand in domestic powergen, and a higher mix of distribution segment. We value the stock at a PE of 45x Mar'28E (same earlier) with revised TP of Rs 5,323 (Rs5,133 earlier).

Long-term view intact: We expect KKC's outlook to remain intact given the 1) strong domestic demand in Powergen across sectors with CPCB 4+ and Data Center products witnessing traction, 2) stable margin profile, and 3) ample room for growth in the Distribution business.

Key Data

Key Data	CUMM.BO | KKC IN
BSE Code	500480
NSE Code	CUMMINSIND
52-W High / Low	INR 6,142 / INR 3,572
Face Value	2
Sensex / Nifty	78,955 / 24,636
Market Cap	INR 1,497 bn / $ 15,725 mn
Shares Outstanding	277.2 mn
3M Avg. Daily Value	INR 2,781.26 mn

Shareholding Pattern (%)

Promoters	51
FIIs	21.19
Mutual Funds	12.55
Domestic Institutions	6.61
Public & Others	8.65
Promoter's Pledge	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(3.2)	1.5	23.7	48.6
Relative	(4.0)	0.2	30.9	51.6

Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	103,394	121,432	142,102	166,157
EBITDA (INR mn)	20,680	26,449	30,168	36,189
Margin (%)	*20.0*	*21.8*	*21.2*	*21.8*
PAT (INR mn)	19,058	24,065	27,390	32,790
EV (INR mn)	1,463,307	1,458,574	1,447,049	1,438,901
Total Debt (INR mn)	297	365	365	365
C&C Eq. (INR mn)	25,103	23,741	33,266	39,414
EPS (INR)	68.8	86.8	98.8	118.3
Gr. (%)	*14.7*	*26.3*	*13.8*	*19.7*
DPS (INR)	52.0	52.0	66.2	79.3
Yield (%)	*1.0*	*1.0*	*1.2*	*1.5*
RoE (%)	*28.9*	*32.3*	*31.1*	*31.4*
RoCE (%)	*28.3*	*32.7*	*31.6*	*32.3*
EV/Sales (x)	14.2	12.0	10.2	8.7
EV/EBITDA (x)	70.8	55.1	48.0	39.8
PE (x)	78.6	62.2	54.7	45.7
P/BV (x)	21.3	19.0	15.4	13.4

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	*% Var.*	Q1'26A	*YoY gr. (%)*
Net Sales (INR mn)	32,976	34,260	*3.9*	29,068	*17.9*
EBITDA (INR mn)	7,123	6,162	*-13.5*	6,235	*-1.2*
Margin (%)	*21.6*	*18.0*	*-362 bps*	*21.4*	*-346 bps*
PAT (INR mn)	6,340	5,430	*-14.4*	5,555	*-2.2*

Source: Company, PL

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Weak Gross Margins impact profitability: Standalone revenue Standalone revenue increased by 18.1% YoY to Rs33.7bn (PLe: Rs33bn). Gross margin contracted by 351bps YoY to 33.5% (PLe: 36.4%) due to higher input cost. EBITDA decreased by 1% YoY to Rs6.2bn (PLe: Rs7.1bn) with EBITDA margin contracted by 346bps YoY to 18% (PLe: 21.6%) due to lower gross margin. PBT(ex. Extra ordinaries) decreased by ~1% YoY to Rs7.2bn (PLe: Rs8.4bn) due to higher interest cost (+47% YoY to Rs39mn). Adj.PAT decreased by 2.2% YoY to Rs5.4bn (PLe: Rs6.3bn) due to higher effective tax rate of 24.7% (+120bps YoY)

Strong Powergen momentum drives overall revenue: Domestic sales decreased by 22.2% YoY to Rs28.4bn primarily due to growth in Powergen (+35% YoY). Distribution business (+14% YoY) and the Industrial business sales grew (+10% YoY). Domestic Powergen revenue mix stood at 68%/9%/17%/5% for HHP/HHD/MHP/LHP. Exports sales remained flat YoY at Rs5.2bn. Export mix stood at 35%/57%/9% for LHP/HHP/Spares.

Exhibit 1: Quarterly Estimates

(INR mn)	Q1FY27	*YoY gr.*	Q2FY27E	*YoY gr.*	Q3FY27E	*YoY gr.*	Q4FY27E	*YoY gr.*
Sales	34,260	*17.9%*	35,921	*13.3%*	36,271	*18.7%*	35,651	*18.4%*
EBITDA	6,162	*-1.2%*	7,364	*6.0%*	8,342	*21.9%*	8,301	*29.3%*
Margin (%)	*18.0*	*(346.5)*	*20.5*	*(141.6)*	*23.0*	*59.5*	*23.3*	*195.8*
Adj. PAT	5,430	*-2%*	6,779	*6%*	7,506	*28%*	7,674	*23%*

Source: Company, PL

Exhibit 2: Revenue increased by 18.1% YoY to Rs33.7bn while EBITDA margin contracted by 346bps YoY

(INR mn)	Q1FY27	Q1FY26	*YoY gr.*	Q1FY27E	*% Var.*	Q4FY26	*QoQ gr.*	FY27E	FY26	*YoY gr.*
Sales	**33,749**	**28,587**	***18.1%***	**32,495**	***3.9%***	**29,632**	***13.9%***	**1,39,865**	**1,19,497**	***17.0%***
Other operating income	511	481	*6.2%*	481	*6.2%*	480	*6.5%*	2,238	1,935	*15.7%*
Total Revenue	**34,260**	**29,068**	***17.9%***	**32,976**	***3.9%***	**30,112**	***13.8%***	**1,42,102**	**1,21,432**	***17.0%***
Gross Profit	11,470	10,752	*6.7%*	12,003	*-4.4%*	10,852	*5.7%*	51,157	44,747	*14.3%*
Margin (%)	*33.5*	*37.0*	*(351)*	*36.4*	*(292.2)*	*36.0*	*(256)*	*36.0*	*36.8*	*(85)*
Employee Cost	2,331	1,994	*16.9%*	2,045	*14.0%*	1,964	*18.7%*	8,839	7,947	*11.2%*
as % of sales	*6.8*	*6.9*	*(6)*	*6.2*	*60.4*	*6.5*	*28*	*6.2*	*6.5*	*(32)*
Other expenditure	2,977	2,523	*18.0%*	2,836	*5.0%*	2,467	*20.7%*	12,150	10,351	*17.4%*
as % of sales	*8.7*	*8.7*	*1*	*8.6*	*8.9*	*8.2*	*50*	*8.6*	*8.5*	*3*
EBITDA	**6,162**	**6,235**	***-1.2%***	**7,123**	***-13.5%***	**6,422**	***-4.0%***	**30,168**	**26,449**	***14.1%***
Margin (%)	*18.0*	*21.4*	*(346)*	*21.6*	*(361.5)*	*21.3*	*(334)*	*21.2*	*21.8*	*(55)*
Depreciation	526	479	*9.7%*	500	*5.2%*	511	*2.9%*	2,208	1,986	*11.2%*
EBIT	**5,636**	**5,756**	***-2.1%***	**6,623**	***-14.9%***	**5,911**	***-4.7%***	**27,960**	**24,464**	***14.3%***
Margin (%)	*16.4*	*19.8*	*(335)*	*20.1*	*(363.4)*	*19.6*	*(318)*	*19.7*	*20.1*	*(47)*
Other Income	1,611	1,529	*5.4%*	1,800	*-10.5%*	2,315	*-30.4%*	8,242	7,205	*14.4%*
Interest	39	27	*47.2%*	25	*56.0%*	24	*60.5%*	67	124	*-45.6%*
PBT (ex. Extra-ordinaries)	**7,208**	**7,258**	***-0.7%***	**8,398**	***-14.2%***	**8,202**	***-12.1%***	**36,134**	**31,544**	***14.6%***
Margin (%)	*21.0*	*25.0*	*(393)*	*25.5*	*(442.9)*	*27.2*	*(620)*	*25.4*	*26.0*	*(55)*
Extraordinary Items	-	442		-	-	323	-	-	(1,001)	-
PBT	**7,208**	**7,700**	***-6.4%***	**8,398**	***-14.2%***	**8,525**	***-15.5%***	**36,134**	**30,544**	***18.3%***
Total Tax	1,778	1,807	*-1.6%*	2,057	*-13.6%*	2,024	*-12.2%*	8,745	7,242	*20.7%*
Effective Tax Rate (%)	*24.7*	*23.5*	*120*	*24.5*	*16.1*	*23.7*	*92*	*24.2*	*23.7*	*49*
Reported PAT	**5,430**	**5,893**	***-7.9%***	**6,340**	***-14.4%***	**6,501**	***-16.5%***	**27,390**	**23,302**	***17.5%***
Adj. PAT	**5,430**	**5,555**	***-2.2%***	**6,340**	***-14.4%***	**6,254**	***-13.2%***	**27,390**	**24,065**	***13.8%***
Margin (%)	*15.8*	*19.1*	*(326)*	*19.2*	*(337.8)*	*20.8*	*(492)*	*19.3*	*19.8*	*(54)*
Adj. EPS	**19.6**	**20.0**	***-2.2%***	**22.9**	***-14.4%***	**22.6**	***-13.2%***	**98.8**	**86.8**	***13.8%***

Source: Company, PL

Exhibit 3: Domestic sales increased by ~22.2% YoY while Exports sales were flat YoY

Revenue Mix (INR mn)	Q1FY27	Q1FY26	*YoY gr.*	Q4FY26	*QoQ gr.*	FY27E	FY26	*YoY gr.*
By Geography								
Domestic	28,540	23,360	*22.2%*	25,130	*13.6%*	118,098	99,610	*18.6%*
Exports	5,210	5,230	*-0.4%*	4,500	*15.8%*	21,767	19,890	*9.4%*
Domestic breakup								
Power Generation	14,240	10,560	*34.8%*	12,940	*10.0%*	59,316	47,590	*24.6%*
Distribution	8,860	7,770	*14.0%*	7,660	*15.7%*	40,319	32,780	*23.0%*
Industrial	4,580	4,180	*9.6%*	3,810	*20.2%*	18,462	16,520	*11.8%*
Export breakup								
Low HP	1,800	2,250	*-20.0%*	1,270	*41.7%*	8,312	8,070	*3.0%*
High HP	2,960	2,520	*17.5%*	2,170	*36.4%*	11,316	9,840	*15.0%*
Spares	450	460	*-2.2%*	1,060	*-57.5%*	2,138	1,980	*8.0%*

Source: Company, PL

Conference Call Highlights:

Commodity Inflation & Price Hike: Commodity inflation remained a key challenge during the quarter, driven by elevated prices of pig iron, steel, aluminium, copper and other key raw materials, alongside higher freight costs arising from the West Asia crisis and labour shortages across the supply chain. To partially offset rising input costs, the company implemented one round of price hikes at the beginning of Q2FY27; however, pricing benefits are expected to flow through with approximately a one-quarter lag owing to the existing order backlog. Additional pricing actions will remain contingent on commodity inflation trends and market acceptance.

Power Generation: Management continues to witness robust demand across both CPCB IV+ and Higher Horsepower (HHP) product categories, with industry demand continuing to outpace available supply. The non-data-centre Power Generation business, currently facing supply constraints, is expected to witness volume improvement over the coming quarters. Domestic Power Generation revenue increased 25% YoY to INR14.0 billion, supported by healthy demand across manufacturing, commercial and residential real estate and data centres. Commodity inflation remains a key near-term monitorable for the segment.

Data Centre Opportunity (~40% of Power Generation revenue): Data centres contributed ~40% of Power Generation revenue during the quarter, with enquiry activity remaining robust and discussions now extending beyond FY27 into FY28 and subsequent years, providing healthy demand visibility. Management highlighted that no customer-led project postponements have been witnessed, with several customers instead requesting earlier deliveries. Customers continue to prioritise assured supply and delivery timelines over pricing, with commercial terms varying depending on project size, delivery schedules, volumes and product customisation.

Industrial: Industrial revenue increased 10% YoY to INR4.2bn , primarily supported by strong Railway demand and improving Mining activity. Railways continue to witness healthy execution momentum, with strong traction for power cars and diesel-electric tower cars used for maintenance of overhead electrification (OHE) infrastructure. The hotel-load converter has received encouraging customer acceptance, while additional railway products remain under development. Mining demand continues to recover following the resumption of coal mine tenders. Construction demand remained broadly stable despite the absence of new National Highway tenders and monsoon-related disruptions, although rural road construction activity continues. The Marine business remains healthy albeit inherently project-driven and lumpy.

Distribution: Distribution revenue increased 14% YoY to INR8.9bn. Management continues to view Distribution as a key long-term growth opportunity, supported by higher market penetration, customer service initiatives, digital solutions, retrofit opportunities and engine rebuilding. The business has the potential to deliver ~20% annual growth over the next couple of years. Q1 growth moderated primarily due to a higher base and temporary parts availability issues arising from supply-chain disruptions rather than any structural weakness. Revenue from recently commissioned data-centre installations is expected to increase meaningfully after warranty period of two years expire. Cummins' network of over 3,500 trained service engineers across 450 service touchpoints continues to provide a key competitive advantage through response times of within 2 hours for critical customers and 4 hours for other customers.

Battery Energy Storage System (BESS): The company has installed a BESS solution at its own facility at Phaltan, allowing customers to evaluate the technology under live operating conditions, and indicated that it is close to securing its first commercial order.

Exports: Export demand remained healthy across Europe and Asia-Pacific, while dispatches to the Middle East continues to be impacted by geopolitical disruptions. Orders lost in the Middle East are unlikely to be recovered subsequently, as customers typically source products from alternative suppliers within the region.

Capex & Capacity Utilisation: Capacity utilisation currently stands at 70–75%, providing adequate headroom to support near-term demand growth. Management indicated that capex initiatives will be on similar lines as in past couple of years., Current data centre demand mix is largely centred around the QSK60 platform and does not necessitate immediate capacity expansion for the higher-horsepower QSK78/QSK95 platforms.

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**103,394**	**121,432**	**142,102**	**166,157**
YoY gr. (%)	*15.4*	*17.4*	*17.0*	*16.9*
Cost of Goods Sold	65,916	76,685	90,946	105,177
Gross Profit	37,478	44,747	51,157	60,980
Margin (%)	*36.2*	*36.8*	*36.0*	*36.7*
Employee Cost	7,740	7,947	8,839	10,551
Other Expenses	9,058	10,351	12,150	4,902
EBITDA	**20,680**	**26,449**	**30,168**	**36,189**
YoY gr. (%)	*17.4*	*27.9*	*14.1*	*20.0*
Margin (%)	*20.0*	*21.8*	*21.2*	*21.8*
Depreciation and Amortization	1,829	1,986	2,208	2,405
EBIT	**18,851**	**24,464**	**27,960**	**33,784**
Margin (%)	*18.2*	*20.1*	*19.7*	*20.3*
Net Interest	151	124	67	73
Other Income	6,261	7,205	8,242	9,604
Profit Before Tax	**24,961**	**30,544**	**36,134**	**43,315**
Margin (%)	*24.1*	*25.2*	*25.4*	*26.1*
Total Tax	5,904	7,242	8,745	10,526
Effective Tax Rate (%)	*23.7*	*23.7*	*24.2*	*24.3*
Profit After Tax	**19,058**	**23,302**	**27,390**	**32,790**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**19,058**	**24,065**	**27,390**	**32,790**
YoY gr. (%)	*14.7*	*26.3*	*13.8*	*19.7*
Margin (%)	*18.4*	*19.8*	*19.3*	*19.7*
Extra Ord. Income / (Exp)	-	(763)	-	-
Reported PAT	**19,058**	**23,302**	**27,390**	**32,790**
YoY gr. (%)	*14.8*	*22.3*	*17.5*	*19.7*
Margin (%)	*18.4*	*19.2*	*19.3*	*19.7*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	19,058	23,302	27,390	32,790
Equity Shares O/s (mn)	**277**	**277**	**277**	**277**
EPS (INR)	**68.8**	**86.8**	**98.8**	**118.3**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**22,893**	**24,347**	**26,847**	**29,347**
Tangibles	22,893	24,347	26,847	29,347
Intangibles	-	-	-	-
Acc: Dep / Amortization	**9,970**	**10,670**	**12,878**	**15,283**
Tangibles	9,970	10,670	12,878	15,283
Intangibles	-	-	-	-
Net Fixed Assets	**12,923**	**13,678**	**13,969**	**14,064**
Tangibles	12,923	13,678	13,969	14,064
Intangibles	-	-	-	-
Capital Work In Progress	2,211	2,066	2,066	2,066
Goodwill	-	-	-	-
Non-Current Investments	9,749	9,528	9,728	12,335
Net Deferred Tax Assets	(913)	(965)	(965)	(965)
Other Non-Current Assets	1,468	900	2,060	2,409
Current Assets				
Investments	9,321	15,484	17,484	19,484
Inventories	10,222	11,685	16,352	19,119
Trade Receivables	22,925	27,543	31,038	36,328
Cash & Bank Balance	25,103	23,741	33,266	39,414
Other Current Assets	1,469	1,982	2,416	2,492
Total Assets	**96,057**	**107,273**	**129,303**	**148,793**
Equity				
Equity Share Capital	554	554	554	554
Other Equity	69,626	78,424	96,527	110,966
Total Networth	**70,180**	**78,978**	**97,082**	**111,520**
Non-Current Liabilities				
Long Term Borrowings	204	200	200	200
Provisions	-	-	-	-
Other Non Current Liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	92	164	164	164
Trade Payables	15,682	16,500	19,466	22,761
Other Current Liabilities	8,985	10,464	11,426	13,182
Total Equity & Liabilities	**96,057**	**107,273**	**129,303**	**148,793**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	24,961	30,544	36,134	43,315
Add. Depreciation	1,829	1,986	2,208	2,405
Add. Interest	151	124	67	73
Less Financial Other Income	6,261	7,205	8,242	9,604
Add. Other	(3,783)	(4,154)	-	-
Op. Profit before WC Changes	23,158	28,500	38,410	45,793
Net Changes-WC	(657)	(4,895)	(6,118)	(3,624)
Direct Tax	(5,614)	(6,262)	(8,745)	(10,526)
Net Cash from Op. Activities	**16,888**	**17,343**	**23,547**	**31,643**
Capital Expenditures	664	(7,944)	(4,669)	(7,070)
Interest / Dividend Income	3,491	4,053	-	-
Others	-	-	-	-
Net Cash from Invt. Activities	**4,156**	**(3,891)**	**(4,669)**	**(7,070)**
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	(1,000)	-	-	-
Dividend Paid	(10,534)	(14,830)	(9,286)	(18,351)
Interest Paid	(51)	(29)	(67)	(73)
Others	(74)	(91)	-	-
Net Cash from Fin. Activities	**(11,659)**	**(14,951)**	**(9,354)**	**(18,424)**
Net Change in Cash	**9,384**	**(1,499)**	**9,525**	**6,149**
Free Cash Flow	14,512	14,826	21,047	29,143

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**31,703**	**30,549**	**30,112**	**34,260**
YoY gr. (%)	*27.2*	*(1.0)*	*22.6*	*17.9*
Raw Material Expenses	20,123	18,985	19,260	22,791
Gross Profit	11,579	11,564	10,852	11,470
Margin (%)	*36.5*	*37.9*	*36.0*	*33.5*
EBITDA	**6,948**	**6,845**	**6,422**	**6,162**
YoY gr. (%)	*44.4*	*14.1*	*23.6*	*(1.2)*
Margin (%)	*21.9*	*22.4*	*21.3*	*18.0*
Depreciation / Depletion	492	504	511	526
EBIT	**6,456**	**6,341**	**5,911**	**5,636**
Margin (%)	*20.4*	*20.8*	*19.6*	*16.4*
Net Interest	26	48	24	39
Other Income	1,964	1,397	2,315	1,611
Profit before Tax	**8,394**	**5,925**	**8,525**	**7,208**
Margin (%)	*26.5*	*19.4*	*28.3*	*21.0*
Total Tax	2,017	1,394	2,024	1,778
Effective Tax Rate (%)	*24.0*	*23.5*	*23.7*	*24.7*
Profit After Tax	**6,377**	**4,531**	**6,501**	**5,430**
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	**6,377**	**5,881**	**6,255**	**5,430**
YoY gr. (%)	*41.5*	*14.4*	*20.0*	*(2.2)*
Margin (%)	*20.1*	*19.3*	*20.8*	*15.8*
Extra Ord. Income / (Exp)	-	(1,350)	247	-
Reported PAT	**6,377**	**4,531**	**6,501**	**5,430**
YoY gr. (%)	*41.5*	*(11.8)*	*24.7*	*(7.9)*
Margin (%)	*20.1*	*14.8*	*21.6*	*15.8*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**6,377**	**4,531**	**6,501**	**5,430**
Avg. Shares O/s (mn)	277	277	277	277
EPS (INR)	**23.0**	**21.2**	**22.6**	**19.6**

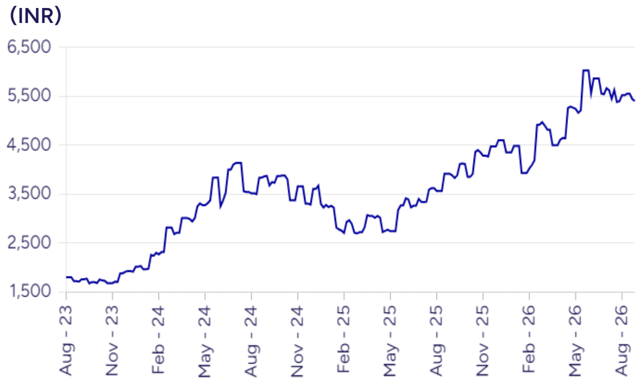
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	68.8	86.8	98.8	118.3
CEPS	75.3	94.0	106.8	127.0
BVPS	253.2	284.9	350.2	402.3
FCF	52.4	53.5	75.9	105.1
DPS	52.0	52.0	66.2	79.3
Return Ratio (%)				
RoCE	28.3	32.7	31.6	32.3
ROIC	44.7	52.3	56.3	55.9
RoE	28.9	32.3	31.1	31.4
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	62	68	72	72
Valuation (x)				
PER	78.5	62.2	54.6	45.6
P/B	21.3	18.9	15.4	13.4
P/CEPS	71.6	57.4	50.5	42.5
EV/EBITDA	70.7	55.1	47.9	39.7
EV/Sales	14.1	12.0	10.1	8.6
Dividend Yield (%)	0.9	0.9	1.2	1.4
FCFF Yield (%)	0.9	0.9	1.4	1.9
PEG Ratio	5.3	2.3	3.9	2.3

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	08-Jul-26	Reduce	5133	5499
2	01-Jun-26	REDUCE	5133	5881
3	09-Apr-26	Hold	4182	4907
4	06-Feb-26	Hold	4182	4391
5	07-Jan-26	Hold	4172	4148
6	07-Nov-25	Hold	4172	4292
7	07-Oct-25	Hold	3895	3957
8	08-Aug-25	Hold	3895	3807
9	09-Jul-25	BUY	3647	3478
10	29-May-25	BUY	3646	3169

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ABB India	HOLD	6944	7285
2	Apar Industries	Accumulate	14720	13889
3	BEML	Accumulate	1940	1776
4	Bharat Electronics	Accumulate	452	407
5	BHEL	Reduce	368	435
6	Carborundum Universal	Reduce	986	1081
7	Cummins India	Reduce	5133	5499
8	Elgi Equipments	Accumulate	637	576
9	Engineers India	Buy	271	235
10	GE Vernova T&D India	Accumulate	4650	4467
11	Grindwell Norton	Accumulate	2113	2018
12	Harsha Engineers International	Hold	461	418
13	Hindustan Aeronautics	BUY	5423	4365
14	Hitachi Energy India	Reduce	30768	31755
15	Ingersoll-Rand (India)	Accumulate	4934	4360
16	Kalpataru Projects International	Buy	1466	1332
17	KEC International	Accumulate	558	487
18	Kirloskar Pneumatic Company	Accumulate	1715	1599
19	Larsen & Toubro	BUY	4425	3832
20	Praj Industries	Accumulate	389	355
21	Siemens	HOLD	3750	3446
22	Siemens Energy India	Accumulate	3274	3359
23	Thermax	Reduce	3952	4306
24	Triveni Turbine	Hold	638	613
25	Voltamp Transformers	Accumulate	11003	9923

PL's Recommendation Nomenclature (Absolute Performance)

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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