

Capital Goods & Defense

Result Preview



Companies

ABB India
Atlanta Electricals
Astra Microwave Products
Bharat Dynamics
Bharat Electronics
CG Power and Industrial Solutions
Cummins India
GE Vernova T&D India
Hindustan Aeronautics
Hitachi Energy India
Kalpataru Projects International
KEC International
Kirloskar Oil Engines
L&T
Siemens
Siemens Energy
Thermax
Triveni Turbine
Zen Technologies
Amber Enterprises
Dixon Technologies

Headwinds receding

We expect 1QFY27 performance to have some impact of slower execution due to West Asia crisis as well as labor unavailability due to election schedule in few states. Ordering momentum was also weak during 1QFY27. Government related ordering was also weak but initiatives such as fast tracking of defense procurement, faster DAC approvals, easing of norms for Chinese players to ease supply chain issues in transmission and tax holiday for data centres announced in budget seem to indicate focus on these sectors. In coming quarters, we expect the industrial sector to benefit from 1) improved ordering, 2) easing off of commodity prices and 3) normalization of labor availability and execution. Going ahead, we remain positive on areas where spending is happening such as transmission, data centre, defense and companies positioned in these segments. For 1QFY27, we estimate our coverage companies to report a revenue/EBITDA/PAT growth of ~5%/6%/10% YoY, with a broadly flat EBITDA margin. We reiterate our positive stance on LT/Cummins India/ GE Vernova T&D in the large-cap space, and Kirloskar Oil Engines/Kalpataru Projects International in the mid-cap and small-cap segments. In the defense sector, Bharat Electronics remains our top pick. We remain positive on Dixon too with expectations of mobile volumes ramping up in coming quarters.

Ordering activity was weak during 1QFY27 but is now building up

Ordering activity during the quarter was weak and was seen primarily across power T&D (domestic and international), metals, B&F, hydrocarbon and selectively for defense. Government sector ordering was weak, while private sector ordering has maintained the traction seen over last few quarters. Domestic tendering on large transmission projects was weaker, but bid submission is likely to improve from 2QFY27 for both state and central utilities. Among companies, LT's announced inflows stood at ~INR252b with one mega order received from JSW Steel. KEC secured inflows worth INR66b and KPIL secured inflows worth INR50b diversified across domestic and international. Among product companies, KOEL recently announced a large data center-related order from HyperNext. Overall TAM continues to remain strong for product companies focusing on data center-related orders.

Defense: Pipeline remains healthy with large orders expected to finalize in near-to-medium term

Defense sector remains attractive as AoNs worth INR6-6.5t announced in FY26 are expected to get converted into orders FY27 onwards. DAC also approved another round of AoNs worth INR520b recently, including 'Akash Tarang' EW system, MRSAM, VSHORADS, MP-ATGM, etc. Also, under the revised Delegation of Financial Powers for the Defense Services (DFPDS) rules, the MoD has increased financial autonomy to fast-track more than INR1.3t worth central defense revenue procurement annually. This is likely to accelerate order inflows and execution for defense companies, as a larger share of procurement contracts can now be approved directly by the armed forces. During the quarter, BHE announced order inflows worth INR35b, including an order for ground-based mobile ELINT system (GBMES) for the Indian Army. BDL recently announced orders worth INR14b related to Helina launchers and CMDS LRUs. Key things to watch out are updates on orders for QRSAM, P75I submarine, next-generation corvettes, and delivery status of Tejas Mk1A aircrafts.

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Correction in commodity prices is a key positive

Though commodity prices are still high on a YoY basis, the recent correction seen in key commodities is positive for companies focused on short-cycle or fixed-price contracts. On YoY basis, prices of aluminum/copper/zinc/HRC are still up nearly 23%/39%/34%/11%. Sharp spike in RM prices in Mar'26 will get reflected in lower margins in 1QFY27. Various companies had already taken price hikes to pass on the YoY increase in RM prices and we expect to see the partial impact of these in 1Q/2QFY27. However, sequentially, prices have now started correcting, which will be reflected from 3QFY27 onward in margins. On a blended basis, we expect EBITDA margin to remain broadly flat YoY but decline QoQ by 250bp in 1QFY27.

Export momentum to improve in coming quarters

Export or international execution for most players was affected by higher freight costs, and hence companies had selectively taken a stance on exports during 1QFY27. With the West Asia crisis easing out now and the reopening of channels, we expect exports to start witnessing improvement. Ordering activity from international markets too remained limited during the quarter. However, for EPC names, such as LT, KPIL and KECI, inflows are picking up now. For product companies, the US, Europe, the Middle East, and South Africa regions remain key export markets, and we expect opportunities to come from renewables, transformers and data centers, where companies are eyeing bigger orders. For defense players, exports are largely led by private defense players like Solar Industries, Astra Microwave, Data Patterns, etc. Pipeline and offerings for DPSUs for export markets remain healthy, though we are yet to see a meaningful pickup.

Sector View: Prefer sector and companies where macro drivers are intact

We remain positive on select themes where there is comfort on the visibility of multi-year capex such as transmission and distribution, data center and defense. Going ahead, we expect ordering and execution to improve as earlier issues related to supply and labor availability are getting addressed. We also expect the sector to benefit from a decline in commodity prices as well as freight rates. We would keep a continuous watch on government and private capex spending. Most companies have indicated that private capex has started reviving in select pockets of metals and mining, thermal, buildings, cement, etc.

Our top picks

We reiterate our positive stance on LT/Cummins India/GE Vernova T&D India in the large-cap space, and Kirloskar Oil Engines/Kalpataru Projects International in the mid-cap and small-cap segments. In the defense sector, Bharat Electronics remains our top pick. We remain positive on Dixon too, with expectations of mobile volumes ramping up in the coming quarters.

Exhibit 1: Summary of quarterly earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-26	Var % YoY	Var % QoQ	Jun-26	Var % YoY	Var % QoQ	Jun-26	Var % YoY	Var % QoQ
ABB India	6,940	Neutral	30,261	-4.7	-5.0	4,059	-2.0	-0.6	3,518	-0.1	2.9
Astra Microwave	1,753	Buy	2,252	12.8	-53.9	450	10.0	-72.3	262	60.7	-75.3
Atlanta Electricals	1,794	Buy	4,102	30.2	-45.1	677	38.8	-54.7	349	12.1	-65.9
Bharat Dynamics	1,379	Neutral	3,176	28.1	-33.9	476	LP	-13.8	832	353.4	-26.5
Bharat Electronics	416	Buy	51,072	15.6	-49.8	14,811	19.4	-50	11,247	16.1	-49.0
CG Power & Inds.	977	Buy	34,578	20.1	0.5	4,561	19.7	-3	3,382	25.6	-7.0
Cummins India	5,664	Buy	32,142	10.6	6.7	6,846	9.8	6.6	6,244	12.4	-0.2
GE Vernova T&D	4,892	Buy	16,680	25.4	1.9	4,337	11.9	-2.5	3,281	12.7	-5.6
Hind.Aeronautics	4,433	Buy	52,714	9.4	-62.2	13,706	6.9	-72.9	15,276	10.4	-63.6
Hitachi Energy	34,239	Neutral	19,721	33.3	-28.4	3,254	98.1	-27.3	2,724	93.3	-24.7
Kalpataru Proj.	1,358	Buy	53,063	5.3	-23.8	4,510	5.3	-32.9	1,926	-4.1	-47.6
KEC International	521	Buy	50,236	0.0	-21.4	3,265	-6.7	-27.1	743	-40.4	-61.1
Kirloskar Oil	2,341	Buy	15,095	18.7	-1.6	1,887	9.9	-2.1	1,201	9.7	1.5
Larsen & Toubro	4,092	Buy	6,43,345	1.0	-22.3	62,500	-1.1	-27.4	38,353	6.0	-28.5
Siemens	3,561	Neutral	46,320	12.8	0.3	4,627	-10.6	4.2	3,965	-6.3	7.1
Siemens Energy	3,633	Buy	23,737	33.0	-0.9	4,724	38.8	-5.2	3,541	34.8	-5.5
Thermax	5,104	Sell	24,361	12.9	-28.9	2,051	-8.9	-45.2	1,131	-25.3	-53.3
Triveni Turbine	677	Buy	4,223	13.7	-37.9	697	-5.3	-45.6	608	-5.6	-40.5
Zen Technologies	1,762	Neutral	1,091	-1.8	51.7	311	-18.3	766.8	333	-10.3	125.7
Capital Goods			11,08,170	5.2	-25.5	1,37,750	6.0	-37.9	98,915	9.7	-37.8

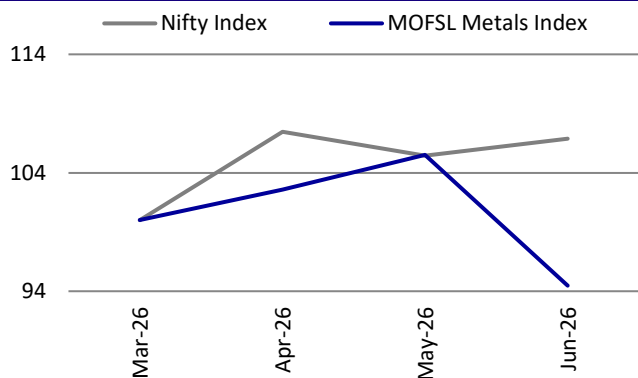
ABB: December ending; SIEM: Shifted to March ending 18MFY26 onwards; Siemens Energy: September ending

Exhibit 2: Comparative valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Capital Goods						40.3	43.5	34.9	7.5	8.0	6.8	18.7	18.4	19.6
ABB India	6,940	Neutral	81.1	83.6	101.6	73.2	83.0	68.3	16.1	14.5	13.1	23.1	19.7	20.1
Astra Microwave	1,753	Buy	20.3	26.3	34.6	41.8	66.6	50.7	6.1	10.6	8.8	16.0	17.4	19.0
Atlanta Electricals	1,794	Buy	26.4	36.9	56.0	45.6	48.6	32.0	10.0	11.4	8.4	21.8	23.4	26.2
Bharat Dynamics	1,379	Neutral	11.5	18.2	26.7	95.7	75.7	51.7	9.5	10.9	9.5	9.9	14.3	18.3
Bharat Electronics	416	Buy	8.3	9.6	11.3	48.4	43.3	36.9	12.3	10.0	8.0	27.8	26.0	24.1
CG Power & Inds.	977	Buy	7.9	10.2	13.7	83.3	95.7	71.4	13.0	16.5	13.8	21.0	18.6	21.1
Cummins India	5,664	Buy	87.8	106.8	129.1	51.3	53.0	43.9	15.8	17.3	15.0	32.6	34.9	36.6
GE Vernova T&D	4,892	Buy	50.0	65.5	86.3	72.8	74.7	56.7	34.7	31.2	21.7	57.4	50.0	45.2
Hind.Aeronautics	4,433	Buy	136.3	149.9	179.6	25.6	29.6	24.7	5.7	6.2	5.2	22.2	20.9	21.1
Hitachi Energy	34,239	Neutral	234.6	327.7	480.0	103.2	104.5	71.3	19.8	21.9	16.6	20.2	22.1	24.5
Kalpataru Proj.	1,358	Buy	58.6	65.5	79.4	18.0	20.7	17.1	2.2	2.5	2.2	13.0	12.9	13.9
KEC International	521	Buy	24.4	28.3	34.8	20.9	18.4	15.0	2.2	2.1	1.9	11.3	11.7	13.1
Kirloskar Oil	2,341	Buy	31.9	44.3	63.4	41.6	52.8	36.9	5.7	8.8	7.4	14.6	17.8	21.8
Larsen & Toubro	4,092	Buy	123.7	144.5	179.1	28.3	28.3	22.9	4.4	4.6	4.0	16.4	17.1	18.7
Siemens	3,561	Neutral	79.4	58.2	72.4	37.0	61.1	49.2	7.5	8.0	6.9	20.4	13.0	13.9
Siemens Energy	3,633	Buy	30.9	42.5	61.5	83.2	85.5	59.0	20.9	22.1	16.1	25.1	25.9	27.3
Thermax	5,104	Sell	60.1	71.2	91.4	54.8	71.7	55.8	6.7	9.3	8.2	12.9	13.7	15.6
Triveni Turbine	677	Buy	11.4	12.9	16.2	38.7	52.4	41.9	9.7	12.4	10.2	27.1	25.8	26.7
Zen Technologies	1,762	Neutral	16.2	33.6	47.0	79.1	52.5	37.5	6.3	7.5	6.2	8.3	15.4	18.2
Amber Enterprises	7,445	Buy	61.7	124.2	187.1	106.1	59.9	39.8	5.3	5.4	4.8	6.5	9.5	12.8
Dixon Technologies	11,954	Buy	139.7	163.5	256.6	69.2	73.1	46.6	12.6	13.0	10.2	22.1	19.3	11,954

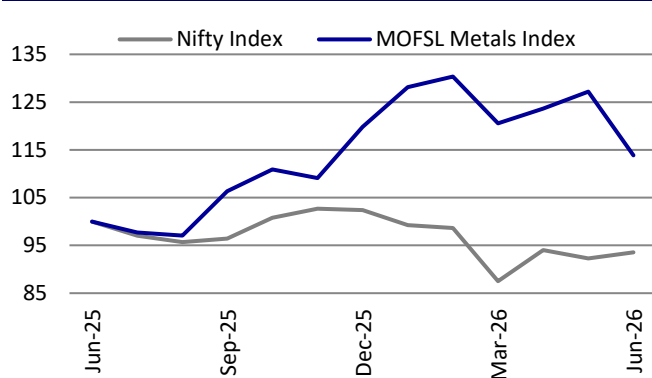
For ABB, FY26/FY27E/FY28E indicate CY25/CY26E/CY27E data; For SIEM: FY26/FY27E/FY28E indicate 18MFY26/12MFY27E/12MFY28E data; For Siemens Energy, FY26/FY27E/FY28E indicate Sep'25/Sep'26E/Sep'27E Y/E data.

Exhibit 3: Relative performance – three months (%)



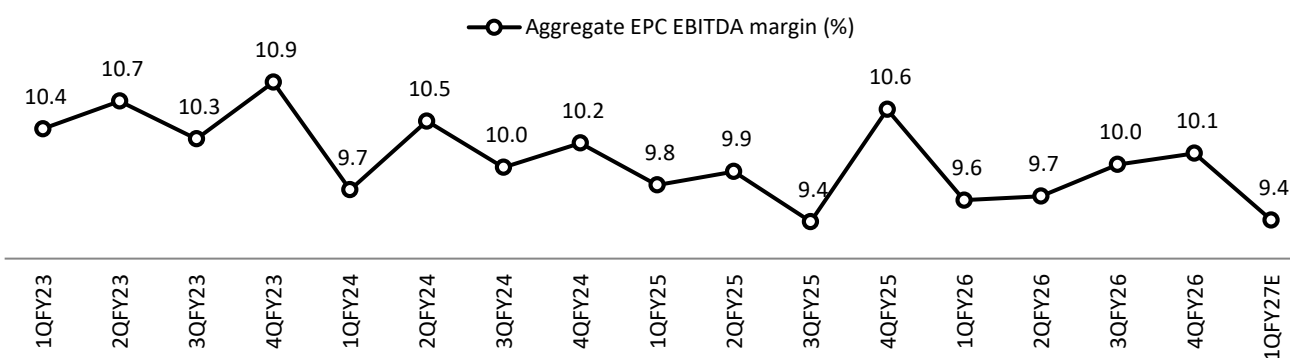
Source: Bloomberg, MOFSL

Exhibit 4: Relative performance – one year (%)



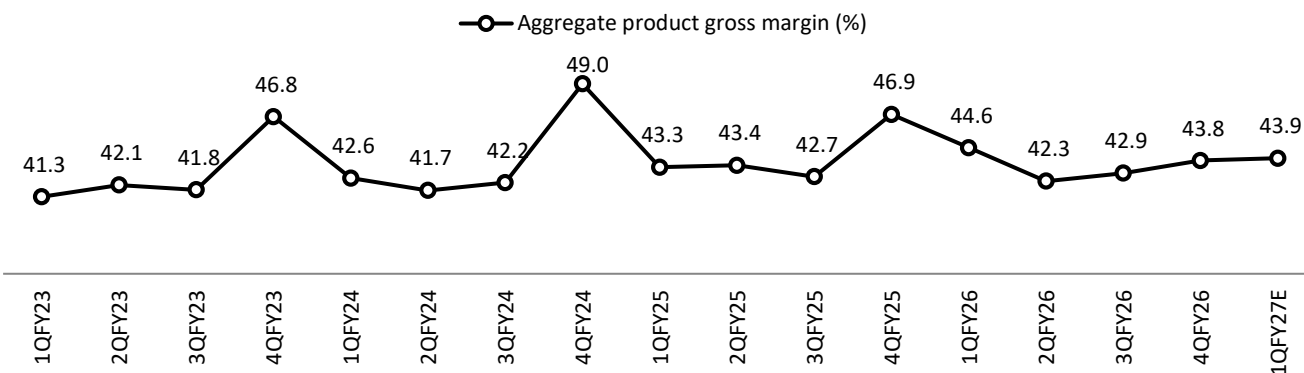
Source: Bloomberg, MOFSL

Exhibit 5: EBITDA margin snapshot for EPC companies under our coverage



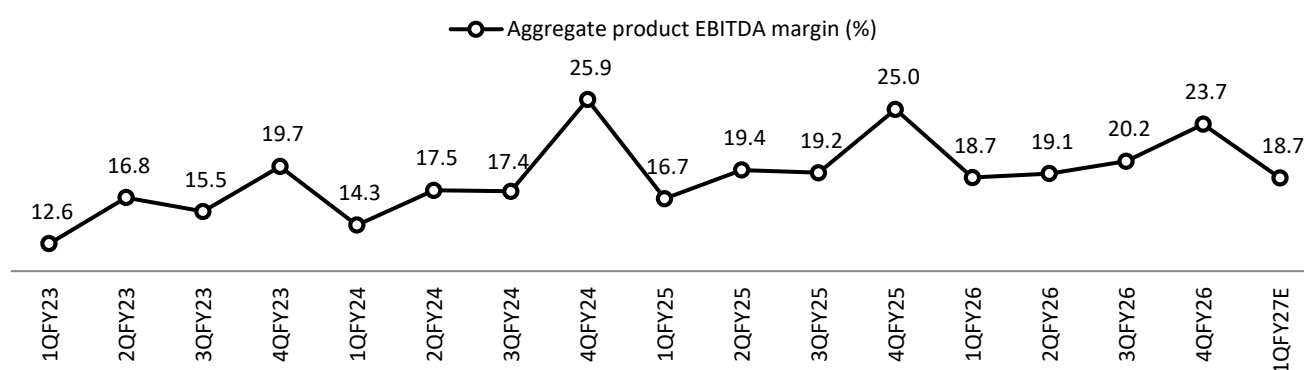
Source: Company, MOFSL

Exhibit 6: Gross margin snapshot for product companies under our coverage



Source: Company, MOFSL

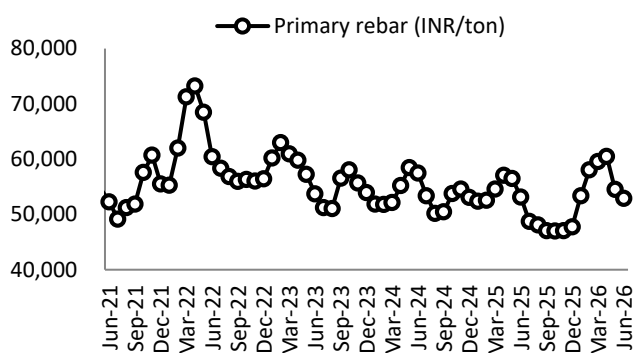
Exhibit 7: EBITDA margin snapshot for product companies under our coverage



Source: Company, MOFSL

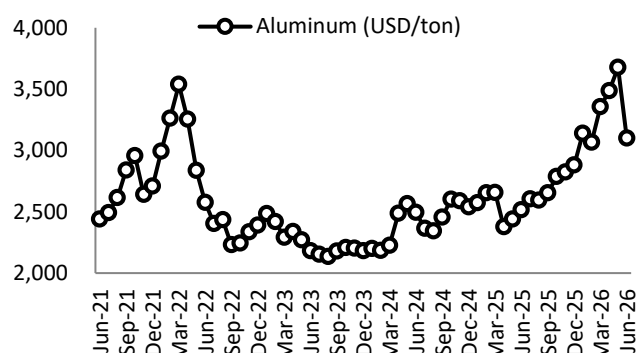
Recent correction in commodity prices is positive for sector

Exhibit 8: Primary rebar price trend (INR/ton)



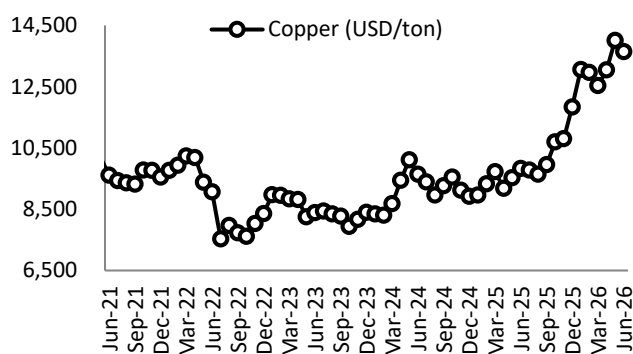
Source: Bloomberg, MOFSL

Exhibit 9: Aluminum price trend (USD/ton)



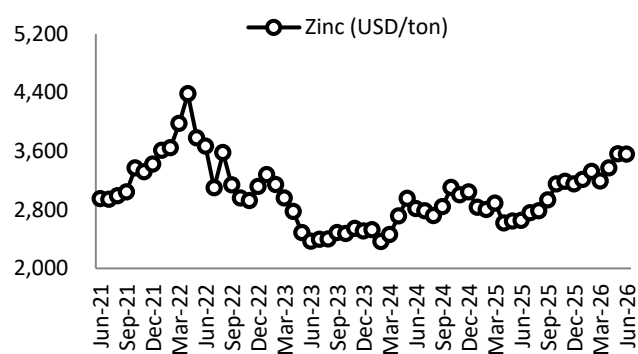
Source: Bloomberg, MOFSL

Exhibit 10: Copper price trend (USD/ton)



Source: Bloomberg, MOFSL

Exhibit 11: Zinc price trend (USD/ton)



Source: Bloomberg, MOFSL

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

ABB India

Neutral
CMP: INR6,940 | TP: INR6,600 (-5%)
EPS CHANGE (%): CY26|CY27|CY28: -|-|-

- We expect revenue to decline 5% YoY (+10% YoY, adjusting for the sale of robotics division, led by electrification).
- Key monitorables include sustainability of inflows across base and large orders, commodity prices, and revival of execution across segments.
- We expect margins to expand ~40bp YoY as QCO-related costs are easing. We also expect QoQ improvement in margins across segments on price hikes. We will watch out for incremental orders from transmission, renewables, data centers, railways, and private sector-related ordering.

Standalone - Quarterly Earning Model

Y/E December	CY25				CY26E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	CY25	CY26E
Net Sales	31,596	31,754	33,107	35,570	31,841	30,261	34,945	42,054	1,32,027	1,39,101
YoY Change (%)	2.6	12.2	13.7	5.7	0.8	-4.7	5.6	18.2	8.3	5.4
Gross profit	13,176	12,141	12,484	13,683	11,651	11,651	13,628	16,647		
Total Expenditure	25,773	27,614	28,103	29,448	27,757	26,202	29,481	34,586	1,10,938	1,18,026
EBITDA	5,823	4,141	5,004	6,122	4,084	4,059	5,464	7,468	21,089	21,075
YoY Change (%)	3.0	-23.7	-7.4	-6.9	-29.9	-2.0	9.2	22.0	-8.5	-0.1
Margins (%)	18.4	13.0	15.1	17.2	12.8	13.4	15.6	17.8	16.0	15.2
Depreciation	338	355	366	396	424	407	407	391	1,455	1,629
Interest	47	42	56	54	38	60	60	81	199	239
Other Income	923	998	840	763	996	1,061	1,088	1,099	3,523	4,244
PBT before EO expense	6,361	4,741	5,421	6,435	4,619	4,653	6,085	8,094	22,959	23,451
Extra-Ord expense				659	-14,417	0	0	0	659	-14,417
PBT	6,361	4,741	5,421	5,776	19,036	4,653	6,085	8,094	22,299	37,868
Tax	1,620	1,220	1,332	1,433	1,200	1,135	1,485	1,906	5,605	5,726
Rate (%)	25.5	25.7	24.6	24.8	26.0	24.4	24.4	23.5	25.1	24.4
Reported PAT	4,741	3,521	4,089	4,343	17,837	3,518	4,600	6,188	16,694	32,143
Adj PAT	4,741	3,521	4,089	4,837	3,419	3,518	4,600	6,188	17,187	17,725
YoY Change (%)	3.2	-20.5	-7.2	-9.1	-27.9	-0.1	12.5	27.9	-8.3	3.1
Margins (%)	15.0	11.1	12.4	13.6	10.7	11.6	13.2	14.7	13.0	12.7

Atlanta Electricals

Buy
CMP: INR1,794 | TP: INR1,950 (+9%)
EPS CHANGE (%): FY27|FY28: -|-

- We expect strong revenue growth of 30% YoY, as utilization at the Vadod unit starts increasing.
- Key monitorables include order inflow ramp-up, short-circuit testing of 400kV transformers, margin sustainability, and capacity utilization levels.
- We expect margins to expand ~100bp YoY and decline 350bps QoQ. A sequential decline is due to higher costs and delays in pass-through.
- We will watch out for updates on tech tie-ups for 765kV transformer, backward integration, and exports.

Consolidated - Quarterly Snapshot

Income Statement	FY26				FY27E				(INR m)	
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE	FY26	FY27E
Net Sales	3,151	3,170	4,718	7,476	4,102	4,226	6,339	10,192	18,515	24,858
Change (%)	5.1	17.3	79.7	81.7	30.2	33.3	34.3	36.3	48.8	34.3
Expenses	2,663	2,622	3,805	5,981	3,425	3,486	5,134	8,089	15,071	20,135
EBITDA	488	548	913	1,496	677	740	1,204	2,102	3,444	4,723
Change (%)	17.8	30.5	119.6	117.9	38.8	35.0	31.9	40.6	77.9	37.1
As of % Sales	15.5	17.3	19.4	20.0	16.5	17.5	19.0	20.6	18.6	19.0
Depreciation	24	55	90	93	135	138	141	152	261	566
Interest	69	132	205	160	83	85	90	100	566	358
Other Income	24	16	41	76	18	19	19	21	157	77
PBT pre EO items	420	377	659	1,319	477	535	993	1,871	2,774	3,876
Extra-ordinary Items	-	-	(11)	(1)	-	-	-	-	(12)	-
PBT	420	377	648	1,318	477	535	993	1,871	2,762	3,876
Tax	108	126	214	296	128	144	266	502	744	1,040
Effective Tax Rate (%)	25.8	33.4	33.1	22.4	26.8	26.8	26.8	26.8	26.9	26.8
Reported PAT	311	251	433	1,022	349	392	726	1,369	2,018	2,836
Adj PAT	311	251	445	1,023	349	392	726	1,369	2,030	2,836
Change (%)	25.3	(6.6)	99.7	129.1	12.1	56.0	63.3	33.9	71.1	39.7
Margin (%)	9.9	7.9	9.4	13.7	8.5	9.3	11.5	13.4	11.0	11.4

Astra Microwave Products

Buy
CMP: INR1,753 | TP: INR1,715 (-2%)
EPS CHANGE (%): FY27 | FY28: -|-

- We expect revenue to grow 13% YoY in 1QFY27 and expect execution to scale up in the coming quarters. This will be led by the order book of ~INR26b.
- Key monitorables include ordering improvement across larger platforms, margin sustainability and export opportunities.
- We expect margin to contract 50bp YoY mainly due to supply chain issues in 1Q owing to the West Asia crisis.
- We revise our TP to INR1,715 on roll forward to Sep'28 estimates.
- Updates on orders for QRSAM, AESA radars, Su-30 EW upgrades, etc. will be monitored going forward.

Consolidated - Quarterly Earning Model

									(INR m)	
Y/E March	FY26				FY27E				FY26	FY27E
INR m	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	1,997	2,146	2,602	4,882	2,252	2,534	3,237	6,053	11,628	14,076
YoY Change (%)	28.7	-6.5	0.7	19.7	12.8	18.1	24.4	24.0	10.6	21.1
Total Expenditure	1,588	1,667	1,777	3,258	1,802	1,976	2,396	4,102	8,290	10,275
EBITDA	410	478	825	1,624	450	557	842	1,951	3,338	3,800
YoY Change (%)	70.6	-2.8	8.3	35.9	10.0	16.5	2.0	20.1	24.1	13.9
Margins (%)	20.5	22.3	31.7	33.3	20.0	22.0	26.0	32.2	28.7	27.0
Depreciation	93	101	114	130	114	116	119	126	437	474
Interest	146	135	130	145	108	109	112	119	556	449
Other Income	25	57	32	70	73	74	76	80	185	303
PBT before EO expense	195	300	614	1,420	301	406	687	1,786	2,530	3,180
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	195	300	614	1,420	301	406	687	1,786	2,530	3,180
Tax	48	85	194	351	92	119	192	475	678	878
Rate (%)	24.6	28.2	31.7	24.7	30.5	29.4	28.0	26.6	26.8	27.6
MI & P/L of Asso. Cos.	-15	-23	-49	9	-52	-52	-52	-42	-78	-199
Reported PAT	163	239	468	1,060	262	339	547	1,353	1,930	2,501
Adj PAT	163	239	468	1,060	262	339	547	1,353	1,930	2,501
YoY Change (%)	125.9	-5.9	-1.3	44.2	60.7	42.0	16.8	27.7	25.7	29.6
Margins (%)	8.1	11.1	18.0	21.7	11.6	13.4	16.9	22.4	16.6	17.8

Bharat Dynamics

Neutral
CMP: INR1,379 | TP: INR1,250 (-9%)
EPS CHANGE (%): FY27 | FY28: -|-

- We expect revenue to increase sharply by 28% on a low base as alternative supply chains play out. We bake in a ramp-up from Akash and Astra Mk-1 missile orders from 2QFY27.
- Key monitorables include updates on inflows for Akash-NG and QRSAM, and margin revival as execution ramps up.
- We expect margins to turn positive at ~15% as execution ramps up.
- We will watch out for updates on BDL's steps for supply chain management and commencement of the new facilities.

Standalone - Quarterly Snapshot

									(INR m)	
Income Statement	FY26				FY27E				FY26	FY27E
Y/E March	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net revenue	2,479	11,470	5,666	4,802	3,176	9,316	10,587	19,268	24,418	42,347
Change (%)	29.7	110.6	-31.9	-73.0	28.1	-18.8	86.8	301.2	-27.0	73.4
Expenses	2,933	9,595	5,406	4,250	2,700	7,919	8,999	16,396	22,184	36,013
EBITDA	-454	1,875	260	552	476	1,397	1,588	2,871	2,234	6,333
Change (%)	NA	89.7	-79.5	-81.5	NA	-25.5	511.1	419.8	-52.7	183.5
As of % Sales	-18.3	16.3	4.6	11.5	15.0	15.0	15.0	14.9	9.1	15.0
Depreciation	177	191	193	198	198	203	208	223	759	832
Interest	7	13	7	7	8	8	8	9	34	34
Other Income	869	1,206	972	1,192	864	885	907	972	4,238	3,627
PBT pre EO items	231	2,876	1,032	1,539	1,133	2,071	2,278	3,612	5,678	9,094
PBT	231	2,876	1,032	1,539	1,133	2,071	2,278	3,612	5,678	9,094
Tax	48	717	303	407	301	551	606	960	1,475	2,418
Effective Tax Rate (%)	20.7	24.9	29.3	26.5	26.6	26.6	26.6	26.6	26.0	26.6
Extra-ordinary Items	0	0	0	0	0	0	0	0	0	0
Reported PAT	183	2,159	729	1,132	832	1,520	1,672	2,651	4,203	6,676
Adj PAT	183	2,159	729	1,132	832	1,520	1,672	2,651	4,203	6,676
Change (%)	154.3	76.2	-50.4	-58.5	353.4	-29.6	129.3	134.2	-23.5	58.8
As of % Sales	7.4	18.8	12.9	23.6	26.2	16.3	15.8	13.8	17.2	15.8

Bharat Electronics

Buy
CMP: INR416 | TP: INR510 (+23%)
EPS CHANGE (%): FY27 | FY28: -|-

- We expect revenue growth of 16% YoY, led by the healthy execution of the opening order book of ~INR740b.
- Key monitorables include updates on large orders, including QRSAM, Uttam radars, next-gen corvettes, P751 submarines, etc., as well as status AMCA.
- We expect margins to remain healthy at ~29%, up 90bp YoY.
- The finalization of orders, execution of the huge backlog, incremental share of exports, and further indigenization of modules and subsystems will remain key focus areas.

Standalone - Quarterly Earning Model

(INR m)

Y/E December	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	44,168	57,637	71,220	1,01,772	51,072	70,224	82,992	1,14,912	2,74,796	3,19,199
YoY Change (%)	5.2	25.8	23.7	11.6	15.6	21.8	16.5	12.9	16.2	16.2
Gross profit	23,517	29,357	33,106	49,022	27,068	33,848	39,836	54,099	1,35,003	1,54,851
Total Expenditure	31,769	40,683	50,043	72,148	36,261	50,210	58,758	81,044	1,94,643	2,26,273
EBITDA	12,399	16,953	21,176	29,624	14,811	20,014	24,234	33,868	80,153	92,926
YoY Change (%)	32.4	22.1	28.1	6.2	19.4	18.1	14.4	14.3	18.4	15.9
Margins (%)	28.1	29.4	29.7	29.1	29.0	28.5	29.2	29.5	29.2	29.1
Depreciation	1,129	1,185	1,275	1,651	1,399	1,433	1,469	1,575	5,239	5,876
Interest	14	17	20	16	16	16	17	18	67	67
Other Income	1,636	1,591	1,595	1,082	1,619	1,659	1,700	1,823	5,904	6,801
PBT before EO expense	12,892	17,343	21,477	29,038	15,015	20,223	24,448	34,098	80,750	93,784
EO item	0	0	0	0	0	0	0	0	0	0
PBT	12,892	17,343	21,477	29,038	15,015	20,223	24,448	34,098	80,750	93,784
Tax	3,201	4,482	5,576	7,007	3,768	5,075	6,136	8,557	20,266	23,537
Rate (%)	24.8	25.8	26.0	24.1	25.1	25.1	25.1	25.1	25.1	25.1
Reported PAT	9,691	12,861	15,901	22,032	11,247	15,148	18,312	25,540	60,485	70,247
Adj PAT	9,691	12,861	15,901	22,032	11,247	15,148	18,312	25,540	60,485	70,247
YoY Change (%)	24.9	17.9	20.8	4.7	16.1	17.8	15.2	15.9	14.4	16.1
Margins (%)	21.9	22.3	22.3	21.6	22.0	21.6	22.1	22.2	22.0	22.0

CG Power and Industrial Solutions

Buy
CMP: INR977 | TP: INR990 (1%)
EPS CHANGE (%): FY27 | FY28: -|-

- We expect revenue to grow 20% YoY, driven by strong execution in power systems, while we expect weakness in industrial systems to persist.
- Key monitorables include demand across divisions in domestic and export markets, industrial systems' margin, and losses in semiconductor business.
- We expect EBITDA margin to remain broadly flat YoY at 13.2% as strong margins in power systems can offset weak margins in other divisions.
- We revise TP to INR990 on roll forward to Sep'28 estimates.
- We will watch out for update on capacity expansions, and progress in semiconductor facility.

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net sales	28,781	29,228	31,754	34,418	34,578	35,236	38,270	47,782	1,24,180	1,55,866
YoY Change (%)	29.2	21.1	26.2	25.0	20.1	20.6	20.5	38.8	25.3	25.5
EBITDA	3,812	3,767	3,973	4,700	4,561	4,964	5,412	6,747	16,253	21,685
YoY Change (%)	16.5	27.8	20.0	35.5	19.7	31.8	36.2	43.5	24.6	33.4
Margins (%)	13.2	12.9	12.5	13.7	13.2	14.1	14.1	14.1	13.1	13.9
Depreciation	435	521	507	494	647	663	697	711	1,956	2,718
Interest	22	27	35	38	38	38	38	38	122	152
Other Income	283	661	764	735	656	672	689	738	2,443	2,755
PBT before EO expense	3,638	3,881	4,195	4,904	4,532	4,935	5,366	6,736	16,618	21,570
Extra-Ord expense	0	0	356	-20	0	0	0	0	336	0
PBT	3,638	3,881	3,840	4,924	4,532	4,935	5,366	6,736	16,282	21,570
Tax	969	1,036	1,001	1,289	1,171	1,275	1,387	1,741	4,295	5,575
Rate (%)	26.6	26.7	26.1	26.2	25.8	25.8	25.8	25.8	26.4	25.8
Minority Interest & Profit/Loss of	-24	-23	-9	-20	-21	-21	-21	-21	-76	-83
Reported PAT	2,692	2,867	2,848	3,655	3,382	3,680	4,000	5,016	12,063	16,078
Adj PAT	2,692	2,867	3,204	3,635	3,382	3,680	4,000	5,016	12,399	16,078
YoY Change (%)	11.6	29.8	33.2	33.7	25.6	28.4	24.8	38.0	27.2	29.7
Margins (%)	9.4	9.8	10.1	10.6	9.8	10.4	10.5	10.5	10.0	10.3

Cummins India

Buy
CMP: INR5,664 | TP: INR6,600 (+17%)
EPS CHANGE (%): FY27 | FY28: -|-

- We expect revenue to grow 11% YoY, supported by strong growth across powergen and distribution segments. We expect powergen segment growth to be driven by both volume and price hikes.
- Key monitorables include demand sustainability, ramp-up orders from data centre, price hikes and export trends.
- We expect EBITDA margin of 21.3%, supported by a healthy revenue mix despite higher RM prices.
- In the near term, we expect demand for Powergen and Distribution to remain healthy, while Industrial can see near-term pressure. With the resolution of the West Asia crisis, we expect exports to start ramping up from 2Q.

Standalone - Quarterly Earnings Model

(INR m)

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	29,068	31,703	30,549	30,112	32,142	36,187	37,324	36,864	1,21,432	1,42,517
YoY Change (%)	26.2	27.2	-1.0	22.6	10.6	14.1	22.2	22.4	17.4	17.4
Total Expenditure	22,833	24,755	24,205	23,690	25,296	28,407	29,299	28,873	95,483	1,11,875
EBITDA	6,235	6,948	6,345	6,422	6,846	7,780	8,025	7,991	25,949	30,642
YoY Change (%)	33.4	44.4	5.7	23.6	9.8	12.0	26.5	24.4	25.5	18.1
Margins (%)	21.4	21.9	20.8	21.3	21.3	21.5	21.5	21.7	21.4	21.5
Depreciation	479	492	504	511	502	514	568	575	1,986	2,159
Interest	27	26	48	24	31	31	31	31	124	124
Other Income	1,529	1,964	1,397	2,315	1,870	2,048	2,150	2,533	7,205	8,601
PBT before EO expense	7,258	8,394	7,191	8,202	8,183	9,283	9,576	9,919	31,044	36,960
Extra-Ord expense	-442	0	1,265	-323	0	0	0	0	501	0
PBT	7,700	8,394	5,925	8,525	8,183	9,283	9,576	9,919	30,544	36,960
Tax	1,807	2,017	1,394	2,024	1,939	2,200	2,269	2,351	7,242	8,760
Rate (%)	23.5	24.0	23.5	23.7	23.7	23.7	23.7	23.7	23.7	23.7
Reported PAT	5,893	6,377	4,531	6,501	6,244	7,083	7,306	7,568	23,302	28,201
Adj PAT	5,555	6,377	5,499	6,253	6,244	7,083	7,306	7,568	23,684	28,201
YoY Change (%)	32.3	41.5	7.0	19.9	12.4	11.1	32.9	21.0	24.3	19.1
Margins (%)	19.1	20.1	18.0	20.8	19.4	19.6	19.6	20.5	19.5	19.8

GE Vernova T&D India

Buy
CMP: INR4,892 | TP: INR5,200 (+6%)
EPS CHANGE (%): FY27 | FY28: -|-

- We expect revenue to increase 25% YoY, driven by healthy execution of the opening order book of INR215b.
- Key monitorables include inflows from domestic and export markets, capacity expansion, price hikes, and working capital cycle.
- We expect EBITDA margin to contract 310bp YoY on a high base of last year, which benefited from higher margins from export orders.
- We will watch out for updates on HVDC projects and data center-related opportunities.

Standalone - Quarterly Earnings Model

(INR m)

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net sales	13,301	15,385	17,006	16,371	16,680	19,595	21,978	21,183	62,063	79,436
YoY Change (%)	38.8	38.9	58.4	42.0	25.4	27.4	29.2	29.4	44.6	28.0
EBITDA	3,876	3,965	4,546	4,449	4,337	5,428	6,242	6,237	16,836	22,243
YoY Change (%)	112.7	93.7	153.0	76.5	11.9	36.9	37.3	40.2	105.6	32.1
Margins (%)	29.1	25.8	26.7	27.2	26.0	27.7	28.4	29.4	27.1	28.0
Depreciation	111	116	116	121	135	138	142	152	464	567
Interest	28	22	28	70	39	40	41	43	148	162
Other Income	163	186	188	372	257	263	270	289	908	1,080
PBT before EO expense	3,900	4,013	4,590	4,630	4,420	5,513	6,329	6,331	17,133	22,595
Extra-Ord expense	0	0	693	-57	0	0	0	0	636	0
PBT	3,900	4,013	3,897	4,687	4,420	5,513	6,329	6,331	16,497	22,595
Tax	988	1,018	989	1,170	1,140	1,422	1,632	1,632	4,165	5,826
Rate (%)	25.3	25.4	25.4	25.0	25.8	25.8	25.8	25.8	25.2	25.8
Reported PAT	2,912	2,995	2,908	3,518	3,281	4,092	4,698	4,699	12,333	16,769
Adj PAT	2,912	2,995	3,425	3,476	3,281	4,092	4,698	4,699	12,808	16,769
YoY Change (%)	116.4	107.1	140.1	86.4	12.7	36.6	37.1	35.2	110.5	30.9
Margins (%)	21.9	19.5	20.1	21.2	19.7	20.9	21.4	22.2	20.6	21.1

Hindustan Aeronautics

Buy
CMP: INR | TP:4,433 INR5,500 (+24%)
EPS CHANGE (%): FY27 | FY28: -|-

- We expect revenue to increase 9% YoY, driven by healthy execution of the opening order book of INR2.5t.
- Key monitorables include the updates on deliveries of Tejas Mk1A and HTT-40, partnership with GE for engine manufacturing, and working capital cycle.
- We expect EBITDA margin to contract 60bp YoY due to disrupted supply chains at the beginning of 1Q.
- The execution of huge backlog, incremental inflows, and margin levels will be the key focus areas.

Consolidated - Quarterly Snapshot

(INR b)

Income Statement	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Y/E March										
Net Sales	48.2	66.3	77.0	139.4	52.7	75.3	86.6	161.9	330.9	376.5
Change (%)	10.8	10.9	10.7	1.8	9.4	13.6	12.5	16.1	6.8	13.8
Expenses	35.4	50.7	58.3	88.8	39.0	56.9	65.0	105.0	233.2	265.8
EBITDA	12.8	15.6	18.7	50.6	13.7	18.4	21.7	56.9	97.7	110.7
Change (%)	29.4	(5.0)	11.2	(4.5)	6.9	18.4	15.7	12.5	1.7	13.3
As of % Sales	26.6	23.5	24.3	36.3	26.0	24.5	25.0	35.1	29.5	29.4
Depreciation	1.9	2.3	3.1	6.3	2.7	2.9	3.8	6.6	13.5	16.0
Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Other Income	7.5	8.9	9.1	11.5	9.2	9.5	9.7	10.4	37.0	38.8
PBT pre EO items	18.4	22.2	24.7	55.7	20.3	25.0	27.5	60.6	121.1	133.4
Extra-ordinary Items	-	-	-	-	-	-	-	-	-	-
PBT	18.4	22.2	24.7	55.7	20.3	25.0	27.5	60.6	121.1	133.4
Tax	4.7	5.6	6.2	13.9	5.1	6.3	7.0	15.3	30.4	33.8
Effective Tax Rate (%)	25.5	25.1	25.1	24.9	25.4	25.3	25.3	25.3	25.1	25.3
MI & P/L Share of JV	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.6
Reported PAT	13.8	16.7	18.7	42.0	15.3	18.8	20.7	45.4	91.2	100.2
Adj PAT	13.8	16.7	18.7	42.0	15.3	18.8	20.7	45.4	91.2	100.2
Change (%)	(3.7)	10.9	29.6	5.5	10.4	12.7	10.9	8.3	9.1	10.0
Margin (%)	28.7	25.2	24.2	30.1	29.0	25.0	23.9	28.1	27.5	26.6

Hitachi Energy India

Neutral
CMP: INR34,239 | TP: INR32,000 (-7%)
EPS CHANGE (%): FY27 | FY28: -|-

- We expect revenue growth to be strong at 33% YoY, led by healthy execution of the opening order book of INR296b.
- Key monitorables include further inflows, HVDC project execution, capacity expansion, data center-related ordering, and further ramp-up in margins.
- We expect EBITDA margin to expand ~540bp YoY, aided by the price variation clause and operating leverage benefits.
- The execution of HVDC and export orders will be the key driver in further margin expansion.

Quarterly performance (Standalone)

(INR m)

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	14,789	18,326	20,822	27,541	19,721	24,911	26,525	32,637	81,477	1,03,794
Change (%)	11.4	17.9	28.5	46.2	33.3	35.9	27.4	18.5	27.6	27.4
EBITDA	1,643	2,990	3,453	4,478	3,254	4,235	4,642	5,724	12,564	17,855
Change (%)	242.9	172.5	106.9	65.1	98.1	41.6	34.4	27.8	110.9	42.1
As % of Sales	11.1	16.3	16.6	16.3	16.5	17.0	17.5	17.5	15.4	17.2
Depreciation	250	258	266	269	334	343	351	376	1,043	1,404
Interest	40	29	25	34	30	32	33	33	128	128
Other Income	509	698	618	574	702	719	737	790	2,399	2,948
PBT	1,862	3,401	3,780	4,749	3,592	4,579	4,995	6,105	13,792	19,271
Tax	453	886	864	1,129	867	1,106	1,206	1,474	3,331	4,654
Effective Tax Rate (%)	24.3	26.0	22.8	23.8	24.1	24.1	24.1	24.1	24.1	24.1
Extra-ordinary Items	(94)	128	(302)	(315)	-	-	-	-	(583)	-
Reported PAT	1,316	2,644	2,614	3,305	2,724	3,473	3,789	4,630	9,878	14,617
Change (%)	1,163.0	405.6	90.3	79.7	107.0	31.4	44.9	40.1	202.9	39.7
Adj PAT	1,410	2,516	2,917	3,620	2,724	3,473	3,789	4,630	10,462	14,617
Change YoY (%)	1,252.8	381.1	241.2	83.5	93.3	38.1	29.9	27.9	202.9	39.7
As % of Sales	8.5	2.1	1.2	0.3	0.5	0.2	0.1	0.1	0.2	0.0

Kalpataru Projects International

Buy
CMP: INR1,358 | TP: INR1,600 (+17%)
EPS CHANGE (%): FY27 | FY28: -|-

- We expect revenue growth of 5% YoY due to weaker execution on domestic projects, while Middle East projects were not impacted much.
- Key monitorables include order inflows, execution ramp-up, divestment of Shubham logistics, and NWC from water projects.
- We expect EBITDA margin to remain flat YoY at 8.5% despite challenges, supported by hedging and variable price clause.
- Company has also divested Indore real estate project fully.
- We revise our TP to INR1,600 on roll-forward.

Standalone - Quarterly Earning Model

(INR m)

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	50,397	54,188	57,876	69,640	53,063	61,022	66,328	84,900	2,32,101	2,65,314
YoY Change (%)	35.4	31.0	19.9	12.2	5.3	12.6	14.6	21.9	22.9	14.3
Total Expenditure	46,114	49,716	53,063	62,921	48,552	55,835	60,691	77,419	2,11,814	2,42,497
EBITDA	4,284	4,472	4,813	6,719	4,510	5,187	5,638	7,482	20,287	22,817
YoY Change (%)	36.7	28.3	19.8	28.4	5.3	16.0	17.1	11.4	27.8	12.5
Margins (%)	8.5	8.3	8.3	9.6	8.5	8.5	8.5	8.8	8.7	8.6
Depreciation	936	966	1,005	1,041	1,168	1,197	1,227	1,315	3,948	4,907
Interest	840	1,025	926	890	843	822	822	801	3,680	3,288
Other Income	234	242	255	369	167	211	217	272	1,101	866
PBT before EO expense	2,742	2,723	3,138	5,157	2,666	3,379	3,806	5,638	13,759	15,488
Extra-Ord expense	-	-	295	2,033	-	-	-	-	2,328	-
PBT	2,742	2,723	2,843	3,124	2,666	3,379	3,806	5,638	11,431	15,488
Tax	734	724	730	926	739	937	1,056	1,564	3,114	4,296
Rate (%)	26.8	26.6	25.7	29.6	27.7	27.7	27.7	27.7	27.2	27.7
Reported PAT	2,008	1,999	2,112	2,198	1,926	2,442	2,750	4,074	8,317	11,193
Adj PAT	2,008	1,999	2,331	3,673	1,926	2,442	2,750	4,074	10,011	11,193
YoY Change (%)	72.1	51.1	48.2	38.2	-4.1	22.2	18.0	10.9	49.0	11.8
Margins (%)	4.0	3.7	4.0	5.3	3.6	4.0	4.1	4.8	4.3	4.2

KEC International

Buy
CMP: INR521 | TP: INR630 (+21%)
EPS CHANGE (%): FY27 | FY28: -|-

- We expect revenue growth to remain broadly flat due to weak execution on account of labor unavailability on domestic projects and slower execution in Middle East.
- Key monitorables include inflow and execution ramp-up and margin trajectory. KEC is now out of PGCIL ban and can start bidding for those orders.
- We expect EBITDA margin to contract 50bp YoY, due to labor issues and higher RM prices.
- We will watch out for margin and working capital improvement, and execution of Middle East projects.

Consolidated - Quarterly Earning

(INR m)

Y/E March - INR m	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	50,229	60,916	60,014	63,898	50,236	67,887	70,602	82,822	2,35,055	2,71,548
YoY Change (%)	11.3	19.1	12.2	(7.0)	0.0	11.4	17.6	29.6	7.6	15.5
Total Expenditure	46,728	56,612	55,714	59,417	46,971	63,135	65,519	76,883	2,18,470	2,52,508
EBITDA	3,501	4,304	4,300	4,481	3,265	4,752	5,083	5,939	16,586	19,040
YoY Change (%)	29.5	34.4	14.8	(16.8)	(6.7)	10.4	18.2	32.6	10.3	14.8
Margins (%)	7.0	7.1	7.2	7.0	6.5	7.0	7.2	7.2	7.1	7.0
Depreciation	459	506	504	506	525	538	552	591	1,974	2,207
Interest	1,511	1,715	1,711	1,699	1,850	1,897	1,850	1,802	6,636	7,399
Other Income	54	46	102	301	68	70	72	77	503	286
PBT before EO expense	1,585	2,130	2,187	2,577	959	2,387	2,754	3,622	8,479	9,721
Extra-Ord expense	-	-	588	0	-	-	-	-	588	0
PBT	1,585	2,130	1,599	2,577	959	2,387	2,754	3,622	7,891	9,721
Tax	339	522	325	649	216	537	620	815	1,836	2,187
Rate (%)	21.4	24.5	20.3	25.2	22.5	22.5	22.5	22.5	23.3	22.5
Reported PAT	1,246	1,608	1,275	1,928	743	1,850	2,134	2,807	6,056	7,534
Adj PAT	1,246	1,608	1,743	1,910	743	1,850	2,134	2,807	6,507	7,534
YoY Change (%)	42.3	88.2	34.5	(28.8)	(40.4)	15.1	22.4	47.0	14.0	15.8
Margins (%)	2.5	2.6	2.9	3.0	1.5	2.7	3.0	3.4	2.8	2.8

Kirloskar Oil Engines

Buy
CMP: INR2,341 | TP: INR2,750 (+17%)
EPS CHANGE (%): FY27 | FY28: -|-

- We expect revenue to increase 19% YoY with strong growth across all segments, barring exports. We expect export growth to start recovering in coming quarters.
- Key monitorables include genset demand and pricing environment, HHP segment growth and progress on ongoing capex.
- We expect EBITDA margin to remain under pressure in 1Q due to cost pressure seen over last few quarters and lag in pass-through.
- We will watch out for ramp-up in export revenue from the Middle East, HHP ramp-up, and NPCIL and Marine engine order.

Standalone - Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	12,720	14,595	13,806	15,347	15,095	17,357	17,187	20,425	56,468	70,064
YoY Change (%)	(5.3)	22.2	18.6	8.7	18.7	18.9	24.5	33.1	24.9	37.0
Gross profit	4,452	5,163	4,822	5,290	5,132	5,988	6,015	7,387	19,728	24,523
Total Expenditure	11,004	12,555	12,118	13,419	13,208	14,927	14,781	17,339	49,096	60,255
EBITDA	1,716	2,040	1,688	1,928	1,887	2,430	2,406	3,086	7,373	9,809
YoY Change (%)	(13.2)	23.7	44.3	10.8	9.9	19.1	42.5	60.0	24.2	50.0
Margins (%)	13.5	14.0	12.2	12.6	12.5	14.0	14.0	15.1	13.1	14.0
Depreciation	332	348	361	392	374	383	392	420	1,433	1,569
Interest	31	28	22	31	18	18	19	20	110	76
Other Income	121	116	80	89	121	124	127	136	407	507
PBT before EO expense	1,476	1,780	1,385	1,595	1,616	2,152	2,122	2,781	6,236	8,671
Extra-Ord expense	-	-	201	96	-	-	-	-	297	-
PBT	1,476	1,780	1,184	1,499	1,616	2,152	2,122	2,781	5,939	8,671
Tax	380	445	311	388	415	552	544	714	1,524	2,225
Rate (%)	25.8	25.0	26.2	25.9	25.7	25.7	25.7	25.7	25.7	25.7
Reported PAT	1,095	1,335	874	1,111	1,201	1,600	1,577	2,067	4,415	6,446
Adj PAT	1,095	1,335	1,022	1,183	1,201	1,600	1,577	2,067	4,636	6,446
YoY Change (%)	(18.7)	20.2	57.1	12.1	9.7	19.9	54.4	74.7	23.9	54.8
Margins (%)	8.6	9.1	7.4	7.7	8.0	9.2	9.2	10.1	8.2	9.2

Larsen & Toubro

Buy
CMP: INR4,092 | TP: INR4,500 (+11%)
EPS CHANGE (%): FY27 | FY28: -|-

- We expect consolidated and core E&C revenue growth to remain flat YoY due to weak execution in 1QFY27 on exposure toward the Middle East and labor shortage in domestic projects.
- Key monitorables include prospect pipeline, order inflow ramp-up from both domestic and international projects, and reconstruction demand after the war.
- We roll forward our TP and revise it to INR4,500.
- We expect EBITDA margin to contract 40bp YoY to 7.3% for core E&C owing to geopolitical disruptions and slower execution.
- We will also watch out for execution revival in the Middle East region, stake sale progress in Hyderabad Metro, margin performance and NWC.
- We factor in an exceptional gain of INR9b in 1QFY27 owing to the sale of Nabha Power.

Consolidated - Quarterly Earning Model

Y/E March - INR b	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	637	680	714	828	643	739	784	978	2,859	3,145
YoY Change (%)	15.5	10.4	10.5	11.3	1.0	8.8	9.8	18.2	11.8	10.0
Total Expenditure	574	612	640	742	581	666	706	872	2,567	2,825
EBITDA	63	68	74	86	62	73	78	106	292	320
YoY Change (%)	12.5	7.0	18.6	5.0	-1.1	7.4	5.5	23.1	10.3	9.7
Margins (%)	9.9	10.0	10.4	10.4	9.7	9.9	10.0	10.8	10.2	10.2
Depreciation	10	11	11	12	10	10	10	10	44	41
Interest	8	8	6	7	4	4	5	5	28	18
Other Income	14	14	14	16	10	10	10	10	58	40
PBT before EO expense	59	63	72	83	58	69	74	101	277	302
Extra-Ord expense	-	-	13	-1	-9	-	-	-	13	-9
PBT	59	63	58	84	67	69	74	101	264	311
Tax	15	16	20	21	15	18	19	25	73	77
Rate (%)	26.2	26.0	34.2	24.9	22.0	25.5	26.0	25.1	27.5	24.7
MI & P/L of Asso. Cos.	7	8	6	10	7	7	7	7	31	28
Reported PAT	36	39	32	53	45	44	47	69	161	206
Adj PAT	36	39	41	54	38	44	47	69	170	199
YoY Change (%)	29.8	15.6	22.1	4.5	6.0	12.4	15.4	28.4	15.9	16.8
Margins (%)	5.7	5.8	5.7	6.5	6.0	6.0	6.0	7.0	5.9	6.3

Siemens Ltd

Neutral
CMP: INR3,561 | TP: INR3,500 (-2%)
EPS CHANGE (%): FY27E | FY28E: -|-

- We expect revenue to grow 13% YoY, led by improved execution across segments.
- Key monitorables include updates on order inflows across segments, demand from data centers, margin trajectory, and delivery volume ramp-up from the locomotive order.
- We expect EBITDA margin to contract 260bp YoY due to RM price inflation and INR depreciation. We expect weakness in smart infra and digital business to persist.
- Demand outlook from both the government and private sectors, and export outlook will be keenly monitored.

Quarterly performance

Income Statement	18FY26 (Y/E Mar)						12FY27 (Y/E Mar)				18M26	FY27E	FY27E	Est
	1Q	2Q	3Q	4Q	5Q	6Q	1QE	2QE	3QE	4QE				
Net Sales	33,601	40,292	41,077	49,004	38,307	46,175	46,320	55,093	47,419	57,781	2,48,45	2,06,61	49,045	(6)
Change (%)	-9.4	-3.0	9.2	9.9	14.0	14.6	12.8	12.4	23.8	25.1	54.5	-16.8	19.4	
Expenses	29,735	35,843	35,902	42,910	34,088	41,736	41,693	48,885	41,398	49,818	2,20,21	1,81,79	43,192	(3)
EBITDA	3,866	4,449	5,175	6,094	4,219	4,439	4,627	6,208	6,020	7,962	28,242	24,817	5,854	(21)
Change (%)	-14.7	-30.1	6.6	11.8	9.1	-0.2	-10.6	1.9	42.7	79.4	33.2	-12.1	13.1	
As of % Sales	11.5	11.0	12.6	12.4	11.0	9.6	10.0	11.3	12.7	13.8	11.4	12.0	12	
Depreciation	664	660	687	688	714	738	675	692	692	709	4,151	2,769	675	0
Interest	31	21	47	42	56	141	54	55	58	59	338	225	54	0
Other Income	1,720	1,514	1,239	1,211	843	1,003	1,403	1,437	1,511	1,541	7,530	5,892	1,403	0
PBT pre EO items	4,891	5,282	5,680	6,575	4,292	4,563	5,301	6,898	6,781	8,736	31,283	27,716	6,528	(19)
Extra-ordinary Items	0	0	0	0	-743	0	0	0	0	0	-743	0	0	
PBT	4,891	5,282	5,680	6,575	3,549	4,563	5,301	6,898	6,781	8,736	30,540	27,716	6,528	(19)
Tax	1,259	1,353	1,457	1,765	861	1,011	1,336	1,738	1,709	2,201	7,706	6,984	1,645	(19)
Effective Tax Rate	25.7	25.6	25.7	26.8	24.3	22.2	25.2	25.2	25.2	25.2	25.2	25.2	25	
MI & Disc.	2,511	1,891	7	39	85	149	0	0	0	0	4,682	0	0	
Reported PAT	6,143	5,820	4,230	4,849	2,773	3,701	3,965	5,160	5,072	6,534	27,516	20,731	4,883	(19)
Adj PAT	6,143	5,820	4,230	4,849	3,516	3,701	3,965	5,160	5,072	6,534	28,259	20,731	4,883	(19)
Change (%)	49.2	-10.4	-3.2	-7.2	-42.8	-36.4	-6.3	6.4	44.3	76.6	39.9	-26.6	15	
Margin (%)	18.3	14.4	10.3	9.9	9.2	8.0	8.6	9.4	10.7	11.3	11.4	10.0	10.0	

Siemens Energy

Buy
CMP: INR3,633 | TP: INR3,950 (+9%)
EPS CHANGE (%): FY26E | FY27E | FY28E: -|-|-

- We expect revenue to grow 33% YoY, led by higher ~40% YoY growth in power transmission and 23% YoY growth in power generation.
- Key monitorables include the status of capacity expansion, order inflows across divisions, and margin trajectory.
- We expect EBITDA to expand 80bp YoY, supported by higher volumes and QoQ improvement in power transmission margins.
- We revise our TP to INR3,950 on roll forward.

Quarterly performance (Consol)

Income Statement	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	15,169	18,795	17,846	26,457	19,109	23,941	23,737	28,160	78,267	94,947
Change (%)	NA	NA	20.2	27.3	26.0	27.4	33.0	6.4	NA	21.3
Expenses	11,816	15,210	14,443	21,664	14,501	18,958	19,013	22,528	63,133	75,000
EBITDA	3,353	3,585	3,403	4,793	4,608	4,983	4,724	5,632	15,134	19,948
Change (%)	NA	NA	59.5	24.5	37.4	39.0	38.8	17.5	NA	31.8
As of % Sales	22.1	19.1	19.1	18.1	24.1	20.8	19.9	20.0	19.3	21.0
Depreciation	207	243	266	314	323	347	319	319	1,030	1,309
Interest	44	33	142	63	74	73	72	63	282	282
Other Income	16	144	525	368	493	459	453	453	1,053	1,858
PBT pre EO items	3,118	3,453	3,520	4,784	4,704	5,022	4,786	5,703	14,875	20,215
Extra-ordinary Items	0	0	0	0	-519	0	0	0	0	-519
PBT	3,118	3,453	3,520	4,784	4,185	5,022	4,786	5,703	14,875	19,696
Tax	801	992	893	1,188	1,056	1,276	1,244	1,518	3,874	5,094
Effective Tax Rate (%)	25.7	28.7	25.4	24.8	25.2	25.4	26.0	26.6	26.0	25.9
Reported PAT	2,317	2,461	2,627	3,596	3,129	3,746	3,541	4,185	11,001	14,602
Adj PAT	2,317	2,461	2,627	3,596	3,648	3,746	3,541	4,185	11,001	15,121
Change YoY (%)	NA	NA	80.2	31.4	57.4	52.2	34.8	16.4	NA	13.3
Margin (%)	15.3	13.1	14.7	13.6	19.1	15.6	14.9	14.9	14.1	15.9

Thermax

Sell
CMP: INR5,104 | TP: INR4,300 (-15%)
EPS CHANGE (%):FY27 | FY28: -|-

- We expect revenue to grow 13% YoY, with broad-based growth across all divisions.
- Key monitorables include thermal project ordering, data center cooling orders, and base ordering ramp-up.
- Performance of key subsidiaries (FEPL and TOESL) needs to be monitored closely too.
- We expect EBITDA margin to contract ~200bp YoY due to cost pressure in chemical, industrial infra divisions. Green solutions too can see margin contraction as previous year margin had the benefit of insurance claim settlement.
- We revise our TP to INR4,300 on roll forward to Sep'28 estimates.

Consolidated - Quarterly Earning

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	21,575	24,739	26,347	34,280	24,361	28,488	31,677	42,619	1,06,942	1,27,145
YoY Change (%)	-1.2	-5.3	5.1	11.1	12.9	15.2	20.2	24.3	2.9	18.9
Total Expenditure	19,324	23,019	23,799	30,537	22,310	25,675	28,265	37,707	96,679	1,13,957
EBITDA	2,251	1,720	2,548	3,743	2,051	2,814	3,412	4,912	10,263	13,188
YoY Change (%)	59.5	-38.1	34.8	24.9	-8.9	63.6	33.9	31.2	13.0	28.5
Margins (%)	10.4	7.0	9.7	10.9	8.4	9.9	10.8	11.5	9.6	10.4
Depreciation	489	515	533	540	550	563	592	604	2,076	2,310
Interest	302	322	342	424	455	466	490	500	1,390	1,910
Other Income	656	854	627	537	535	548	577	588	2,675	2,249
PBT before EO expense	2,117	1,738	2,300	3,317	1,582	2,333	2,906	4,396	9,471	11,217
Extra-Ord expense	0	0	588	25	0	0	0	0	612	0
PBT	2,117	1,738	2,888	3,341	1,582	2,333	2,906	4,396	10,084	11,217
Tax	600	543	837	897	451	665	828	1,253	2,877	3,197
Rate (%)	28.4	31.2	29.0	26.9	28.5	28.5	28.5	28.5	28.5	28.5
MI & P/L of Asso. Cos.	2	1	1	-0	0	0	0	0	4	0
Reported PAT	1,515	1,194	2,050	2,444	1,131	1,668	2,078	3,143	7,203	8,020
Adj PAT	1,515	1,194	1,633	2,424	1,131	1,668	2,078	3,143	6,765	8,020
YoY Change (%)	38.4	-39.7	43.6	17.9	-25.3	39.7	27.3	29.7	14.9	11.4
Margins (%)	7.0	4.8	6.2	7.1	4.6	5.9	6.6	7.4	6.3	6.3

Triveni Turbine

Buy
CMP: INR667 | TP: INR750 (+13%)
EPS CHANGE (%):FY27 | FY28: -|-

- We expect revenue to grow 14% YoY, driven by execution of NTPC order on domestic side and export order book. Order inflows have started improving too and we expect inflows of around INR5-6b for the quarter.
- Key monitorables include inflows from domestic, exports and from projects in combined-cycle applications.
- We expect EBITDA margins to contract ~330bp YoY, factoring in a higher share of lower-margin NTPC order, which we expect to be booked over 1HFY27.
- We revise our TP to INR750 on roll forward to Sep'28E earnings.
- Inquiry pipeline in India and US will be watched out for.

Consolidated - Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	3,713	5,062	6,240	6,796	4,223	5,672	6,885	7,368	21,811	24,149
YoY Change (%)	-19.9	1.0	24.0	26.3	13.7	12.1	10.3	8.4	8.7	10.7
Total Expenditure	2,977	3,916	4,899	5,516	3,527	4,538	5,405	5,621	17,308	19,090
EBITDA	736	1,146	1,341	1,280	697	1,134	1,480	1,748	4,503	5,059
YoY Change (%)	-23.0	2.9	22.7	6.3	-5.3	-1.0	10.4	36.5	3.1	12.4
Margins (%)	19.8	22.6	21.5	18.8	16.5	20.0	21.5	23.7	20.6	21.0
Depreciation	77	80	94	90	82	83	86	92	341	342
Interest	8	4	7	7	10	9	9	9	26	36
Other Income	222	184	195	164	211	199	207	228	765	844
PBT before EO expense	873	1,246	1,435	1,347	817	1,241	1,592	1,874	4,901	5,525
Extra-Ord expense	0	0	157	0	0	0	0	0	157	0
PBT	873	1,246	1,278	1,347	817	1,241	1,592	1,874	4,744	5,525
Tax	228	332	352	325	209	318	408	480	1,237	1,414
Rate (%)	26.1	26.6	27.5	24.1	25.6	25.6	25.6	25.6	26.1	25.6
MI & P/L of Asso. Cos.	-1	0	-9	-3	0	0	0	0	-13	0
Reported PAT	644	914	917	1,019	608	923	1,185	1,394	3,494	4,110
Adj PAT	644	914	1,031	1,021	608	923	1,185	1,394	3,610	4,110
YoY Change (%)	-19.9	0.4	11.3	8.0	-5.6	1.0	14.9	36.5	0.7	13.9
Margins (%)	17.3	18.1	16.5	15.0	14.4	16.3	17.2	18.9	16.6	17.0

Zen Technologies

Neutral
CMP: INR1,762 | TP: INR1,600 (-9%)
EPS CHANGE (%): FY27 | FY28: -|-

- We expect execution to remain broadly flat in 1Q but to pick up from 2Q as orders received during FY26 start getting executed.
- Key monitorables include order inflow sustainability, finalization of the large simulator order, execution ramp-up, margin trajectory, and working capital cycle.
- We expect EBITDA margin to contract to 28.5% due to slower execution.
- We increase our TP to INR1,600 on roll forward.
- We will watch out for traction in inflows from fast-track procurement, export momentum, and subsidiary performance.

Standalone - Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	1,111	1,247	1,162	719	1,091	2,876	2,776	3,173	4,238	9,916
YoY Change (%)	(56.3)	(48.4)	(17.9)	(75.5)	(1.8)	130.7	139.0	341.3	(54.5)	134.0
Total Expenditure	730	829	636	683	780	1,869	1,846	1,865	2,877	6,360
EBITDA	380	418	526	36	311	1,006	930	1,308	1,360	3,556
YoY Change (%)	(63.1)	(47.4)	43.2	(96.2)	(18.3)	140.8	76.8	3,548.2	(56.6)	161.4
Margins (%)	34.3	33.5	45.3	5.0	28.5	35.0	33.5	41.2	32.1	35.9
Depreciation	31	33	36	37	37	38	39	42	137	156
Interest	14	4	10	6	8	8	9	9	34	34
Other Income	199	230	143	200	182	177	177	173	772	709
PBT	535	610	624	192	448	1,137	1,060	1,430	1,961	4,075
Tax	164	149	145	45	115	291	271	366	502	1,044
Rate (%)	30.6	24.4	23.3	23.2	25.6	25.6	25.6	25.6	25.6	25.6
Reported PAT	371	462	478	147	333	846	788	1,064	1,459	3,031
Adj PAT	371	462	478	147	333	846	788	1,064	1,459	3,031
YoY Change (%)	(50.0)	(29.2)	23.8	(82.6)	(10.3)	83.3	64.9	621.4	(44.5)	107.8
Margins (%)	33.4	37.0	41.2	20.5	30.5	29.4	28.4	33.5	34.4	30.6

Amber Enterprises

Buy
CMP: INR7,445 | TP: INR8,450 (+13%)
EPS CHANGE (%): FY27 | FY28: |-|-

- We expect revenue to grow 32% YoY, driven by strong growth across all divisions. RAC demand was quite strong and the segment saw price hikes too. Electronics segment is also expected to see healthy growth.
- Key monitorables include demand scenario and margin trajectory in both RAC and non-RAC, electronics and railways division.
- We expect EBITDA margin to expand 10bp YoY to 7.5%, mainly driven by better margins in electronics on YoY basis. We expect RAC segment margin to be weak YoY due to higher RM prices and lag in pass-through.
- We will watch out for the commissioning of capex across electronic division entities as well as further progress on agreement with OPPO.

Consolidated - Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	34,491	16,470	29,428	41,475	45,349	21,798	38,734	49,772	1,21,865	1,55,653
YoY Change (%)	43.6	-2.2	37.9	10.5	31.5	32.3	31.6	20.0	22.2	27.7
Total Expenditure	31,924	15,557	26,967	37,893	41,958	20,125	35,629	45,641	1,12,342	1,43,353
EBITDA	2,567	913	2,461	3,582	3,391	1,673	3,106	4,130	9,523	12,300
YoY Change (%)	30.8	-19.7	55.0	21.5	32.1	83.3	26.2	15.3	24.7	29.2
Margins (%)	7.4	5.5	8.4	8.6	7.5	7.7	8.0	8.3	7.8	7.9
Depreciation	618	702	912	993	958	981	1,005	1,078	3,226	4,022
Interest	634	769	794	647	620	635	651	698	2,844	2,604
Other Income	297	156	548	201	277	284	299	305	1,202	1,165
PBT before EO expense	1,612	-403	1,303	2,143	2,091	342	1,748	2,660	4,655	6,840
Extra-Ord expense	0	0	-1,031	640	0	0	0	0	-391	0
PBT	1,612	-403	272	2,783	2,091	342	1,748	2,660	4,265	6,840
Tax	484	-156	279	493	516	69	429	661	1,100	1,674
Rate (%)	30.0	38.8	102.6	17.7	24.7	20.2	24.5	24.8	25.8	24.5
MI & P/L of Asso. Cos.	90	82	265	946	200	195	197	202	1,383	794
Reported PAT	1,039	-329	-272	1,344	1,375	78	1,123	1,797	1,781	4,372
Adj PAT	1,039	-329	759	704	1,375	78	1,123	1,797	2,172	4,372
YoY Change (%)	43.5	NM	111.5	-39.4	32.4	NM	48.0	155.4	-10.8	101.3
Margins (%)	3.0	-2.0	2.6	1.7	3.0	0.4	2.9	3.6	1.8	2.8

Dixon Technologies

Buy
CMP: INR11,954 | TP: INR14,600 (+22%)
EPS CHANGE (%): FY27 | FY28: - | -

- We expect healthy revenue growth of 19% YoY, which will be supported by strong volume growth of >30% QoQ in mobiles and improvement in IT hardware, telecom, TV and washing machines. Price hikes across mobile OEMs and other segments will also support revenue growth.
- Key monitorables include mobile volume ramp-up, memory price trends and ongoing expansions.
- We expect EBITDA margin to contract 50bp YoY to 3.3% as mobile PLI incentives go away and higher costs.
- We will watch out for progress on backward integration initiatives for both displays and camera modules, which could improve margins going forward.
- We expect further progress on Vivo-JV approval in coming weeks and expect PLI 2.0 to be launched in the coming quarters, which can boost mobile volumes.

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY26				FY27E				FY26	FY27E
INR m	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	1,28,357	1,48,550	1,06,716	1,05,105	1,52,936	1,74,493	1,56,962	2,14,351	4,88,728	6,98,743
YoY Change (%)	95.1	28.8	2.1	2.1	19.1	17.5	47.1	103.9	25.8	43.0
Total Expenditure	1,23,533	1,42,937	1,02,571	1,01,021	1,47,890	1,68,843	1,51,818	2,06,938	4,70,063	6,75,489
EBITDA	4,824	5,613	4,145	4,084	5,047	5,650	5,144	7,413	18,665	23,254
YoY Change (%)	94.6	31.7	6.1	-7.8	4.6	0.7	24.1	81.5	23.8	24.6
Margins (%)	3.8	3.8	3.9	3.9	3.3	3.2	3.3	3.5	3.8	3.3
Depreciation	927	963	990	1,050	1,117	1,144	1,172	1,257	3,930	4,690
Interest	326	384	429	237	272	326	408	626	1,375	1,632
Other Income	17	30	60	93	74	80	86	95	200	335
PBT before EO expense	3,588	4,297	2,786	2,891	3,733	4,259	3,649	5,626	13,561	17,267
Extra-Ord expense	0	4,927	1,253	750	0	0	0	0	6,930	0
PBT	3,588	9,224	4,039	3,640	3,733	4,259	3,649	5,626	20,491	17,267
Tax	855	1,779	911	718	915	1,040	893	1,370	4,263	4,218
Rate (%)	23.8	19.3	22.6	19.7	24.5	24.4	24.5	24.4	20.8	24.4
MI & P/L of Asso. Cos.	483	746	255	358	607	760	779	964	1,842	3,110
Reported PAT	2,250	6,700	2,873	2,564	2,211	2,459	1,977	3,291	14,386	9,939
Adj PAT	2,250	2,475	1,822	1,945	2,211	2,459	1,977	3,291	8,491	9,939
YoY Change (%)	68.3	15.5	6.4	5.4	-1.7	-0.6	8.5	69.2	20.3	17.0
Margins (%)	1.8	1.7	1.7	1.9	1.4	1.4	1.3	1.5	1.7	1.4

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
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