

# Capital Goods & Defense



## Company

ABB India
Astra Microwave Products
Bharat Dynamics
Bharat Electronics
Cummins India
Hindustan Aeronautics
Hitachi Energy India
Kalpataru Projects International
KEC International
Kirloskar Oil Engines
L&T
Siemens
Siemens Energy
Thermax
Triveni Turbine
Zen Technologies

## Focus on the energy transition to continue

The capital goods sector has been largely resilient amid the current turmoil induced by the Middle East war. The focus will continue to be on capital goods and defense, with an increasing need to invest in defense, alternative energy sources such as renewables and transmission, and the development of a domestic ecosystem to reduce dependence on other countries. Some uncertainties remain if the current war continues for an extended period, affecting the existing order book in the GCC region, along with higher raw material costs and elevated freight expenses. However, the sector benefits from strong demand tailwinds, which can facilitate easier cost pass-through. For 4QFY26, we expect the impact of the ongoing conflict in the Middle East to be limited, with execution growth of 12% YoY, fueled by a strong order book. Going forward, we will keenly monitor ongoing war outcome, both government and private capex due to a spike in crude prices, as well as the movement in commodity prices, which have been rising over the last few quarters. Moving ahead, we remain optimistic about 1) transmission spending, including HVDCs, which will benefit players on both the EPC and product sides, 2) defense spending, which will benefit both domestic PSUs and private players, 3) data center spending, and 4) EMS, where valuations have dipped, and the government is implementing numerous initiatives to accelerate value addition in India. For 4QFY26, we estimate our coverage companies to report a revenue/PAT of ~+12%/-6% YoY along with a flat EBITDA. We reiterate our positive stance on LT/Cummins India (KKC)/ Siemens Energy in the large-cap space, and Kirloskar Oil Engines (KOEL)/Kalpataru Projects International (KPIL) in the mid-cap and small-cap segments. In the defense sector, Bharat Electronics (BHE) remains our top pick.

## Ordering activity mixed across players

Ordering activity was mixed during the quarter, with the defense sector ordering broadly tracking estimates for large DPSUs, and the activity was a bit weaker for EPC players amid the ongoing geopolitical tensions. The ordering activity was supported by power T&D, defense, metals, automobile, data centers, and B&F segments. Within EPC, LT has announced inflows worth INR145b so far for 4QFY26, led by major wins in minerals & metals, heavy civil, and power transmission, translating into yearly inflows of ~INR3t so far. KECI and KPI announced inflows of ~INR241b for FY26 so far. Among product companies, Thermax secured a boiler package order worth INR16b for an ultra-supercritical thermal power project during the quarter. The private sector ordering is picking up gradually. The defense segment also witnessed steady activity, with BHE booking INR126b of orders for 4QFY26 (INR301b for FY26) and HAL announcing INR69b for 4QFY26 (~INR1t for FY26). Backed by a strong backlog, we expect 12% YoY growth in execution for 4QFY26 across our coverage universe.

## Continuous DAC approvals augur well for defense companies

In Mar'26, India's Defense Acquisition Council (DAC) has given approvals for AoNs worth INR2.38t, including for additional units of the Russian-made S-400 long-range surface-to-air missile system and 155mm Dhanush-Howitzer-Gun systems. The approvals focus on enhancing surveillance, combat, and long-range strike capabilities across the Army, Air Force, and Coast Guard. For the Indian Army, the Defense Council has approved air defense tracked systems, armor-piercing tank ammunition, high-capacity radio relays, runway-independent aerial surveillance systems, and 155mm Dhanush Gun systems. For the IAF, the DAC has approved remotely piloted strike aircraft and the overhaul of Su-30 aero engine aggregates to

Research Analyst **Teena Virmani** (Teena.Virmani@MotilalOswal.com)

**Vatsal Magaiwala** (Vatsal.Magaiwala@MotilalOswal.com) | **Prerit Jain** (Prerit.Jain@MotilalOswal.com)

**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

increase the service life of the IAF's mainstay combat aircraft. For the Indian Coast Guard, DAC accorded AoN for heavy-duty air cushion vehicles. With a mix of imports and indigenization, these approvals expand the addressable opportunity for domestic defense players and support a strong order pipeline outlook.

### **Margin performance to be mixed; commodity prices/freight costs mounting**

Margin performance is expected to remain mixed, with rising commodity prices and elevated freight costs exerting pressure on input costs across segments. Notably, copper, aluminum, and HRC prices have increased by ~16%/~13%/~13% QoQ during Jan-Mar'26. Since ~50-55% of EPC order books are fixed-price in nature, a sustained rise in commodity prices could weigh on margins, even with some protection from hedging and price variation clauses. Product companies typically pass on commodity price increases with a lag of 1-2 months. Overall, margins are expected to remain mixed, and near-term pressure can be seen in 4QFY26. We expect margins across our coverage universe to decline by ~160bp YoY, with EPC companies' margins contracting ~50bp YoY and product companies' margins contracting ~320bp YoY.

### **Export momentum continues despite near-term challenges**

Ordering activity for EPC players from international markets remained strong until Feb'26, particularly on the transmission segment. However, we expect revenue execution to be affected, particularly for orders from the Middle East for players like L&T and KEC, and marginally for Kalpataru projects. For product companies, disrupted trade routes and higher freight costs can weigh on overall exports if current tensions in the Middle East are prolonged. We believe the impact on 4QFY26 exports to be only marginal. Most companies are looking to capitalize on the upcoming demand from data centers and renewable infrastructure in the US and EU markets. In defense as well, export momentum is gradually improving, with the Ministry of Defence guiding exports to double over the next 4-5 years.

### **View: Selective stance continues**

We remain selective in the sector and continue to favor companies with strong execution capabilities, order book visibility, and exposure to high-growth segments such as transmission, defense, and data centers.

### **Our top picks**

We continue to prefer **LT, KKC, and Siemens Energy** in the large-cap industrial space and **KOEL and KPIL** in the mid-cap and small-cap segments. **BHE** continues to remain our top pick in the defense sector.

**Exhibit 1: Summary of quarterly earnings estimates**

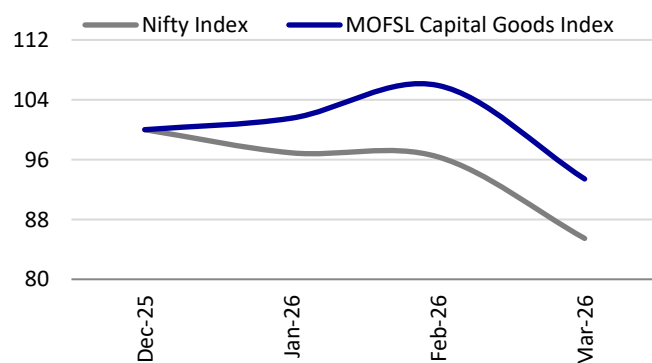
Sector	CMP (INR)	RECO	SALES (INR M)			EBITDA (INR M)			NET PROFIT (INR M)		
			Mar-26	Var % YoY	Var % QoQ	Mar-26	Var % YoY	Var % QoQ	Mar-26	Var % YoY	Var % QoQ
ABB India	6,145	Buy	34,881	10.4	-1.9	5,645	-3.0	-7.8	4,627	-2.4	-4.3
Astra Microwave	953	Buy	4,542	11.4	74.5	1,166	-2.5	41.3	704	-4.2	50.3
Bharat Dynamics	1,186	Buy	17,458	-1.8	208.1	4,152	38.9	1,497.7	3,326	21.9	356.1
Bharat Electronics	422	Buy	1,03,713	13.7	45.6	28,375	1.7	34.0	21,688	3.0	36.4
Cummins India	4,642	Buy	28,515	16.1	-6.7	5,626	8.3	-11.3	5,265	1.0	-4.2
Hind.Aeronautics	3,687	Buy	1,31,027	-4.4	70.2	39,526	-25.4	111.3	26,695	-32.9	43.0
Hitachi Energy	25,349	Sell	23,752	26.1	14.1	3,947	45.5	14.3	2,633	33.5	-9.7
Kalpataru Proj.	1,104	Buy	66,381	7.0	14.7	5,632	7.6	17.0	2,660	0.1	14.1
KEC International	529	Buy	70,561	2.7	17.6	4,962	-7.9	15.4	2,061	-23.1	18.2
Kirloskar Oil	1,388	Buy	13,960	-1.2	1.1	1,925	10.6	14.1	1,236	17.1	20.9
Larsen & Toubro	3,614	Buy	8,72,517	17.3	22.1	91,207	11.2	23.0	53,370	4.0	30.2
Siemens	3,023	Neutral	43,636	2.5	13.9	4,863	4.0	15.3	3,756	-7.9	6.7
Siemens Energy	2,613	Buy	21,838	16.2	14.3	4,978	38.9	8.0	3,680	49.5	0.9
Thermax	3,295	Sell	32,964	6.9	25.1	3,286	9.6	28.9	2,462	19.8	50.8
Triveni Turbine	460	Buy	6,692	24.4	7.3	1,433	19.0	6.9	1,195	26.3	16.0
Zen Technologies	1,368	Neutral	1,275	-56.6	9.8	464	-50.9	-11.8	448	-47.2	-6.3
<b>Capital Goods</b>			<b>14,73,711</b>	<b>12.1</b>	<b>24.8</b>	<b>2,07,187</b>	<b>0.3</b>	<b>33.6</b>	<b>1,35,807</b>	<b>-5.9</b>	<b>28.8</b>

ABB: December ending; Siemens Energy: September ending

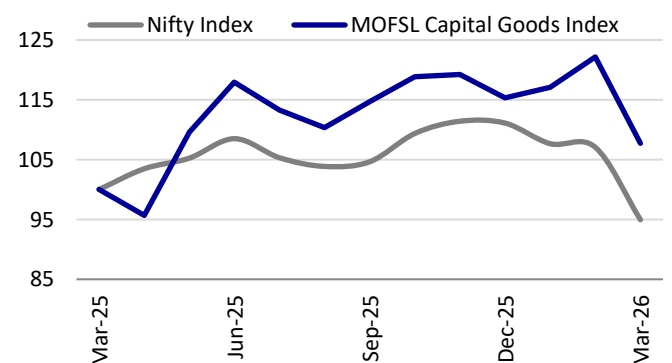
**Exhibit 2: Comparative valuations**

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
<b>Capital Goods</b>						<b>41.5</b>	<b>34.8</b>	<b>28.6</b>	<b>7.2</b>	<b>6.3</b>	<b>5.4</b>	<b>17.4</b>	<b>18.1</b>	<b>18.9</b>
ABB India	6,145	Buy	81.1	97.8	114.1	75.8	62.9	53.9	16.6	14.4	12.5	23.1	24.6	24.9
Astra Microwave	953	Buy	16.7	24.7	30.0	57.1	38.7	31.8	7.1	6.0	5.1	13.4	16.9	17.4
Bharat Dynamics	1,186	Buy	17.5	24.1	37.3	67.9	49.1	31.8	9.8	8.6	7.1	14.5	17.5	22.3
Bharat Electronics	422	Buy	8.2	9.8	11.4	51.2	43.2	36.9	12.3	9.9	8.0	24.0	22.8	21.7
Cummins India	4,642	Buy	87.2	102.9	121.2	53.3	45.1	38.3	16.3	14.3	12.4	32.4	33.8	34.7
Hind.Aeronautics	3,687	Buy	113.5	130.0	166.4	32.5	28.4	22.2	6.2	5.4	4.6	19.0	19.1	20.7
Hitachi Energy	25,349	Sell	210.3	254.9	307.3	120.5	99.5	82.5	21.0	17.2	14.2	18.3	18.2	18.1
Kalpataru Proj.	1,104	Buy	52.7	66.3	81.4	21.0	16.7	13.6	2.4	2.1	1.8	11.9	13.4	14.5
KEC International	529	Buy	25.0	34.7	44.2	21.1	15.2	12.0	2.4	2.2	1.9	11.9	15.0	16.8
Kirloskar Oil	1,388	Buy	33.3	40.8	50.8	41.7	34.0	27.3	6.0	5.3	4.6	15.2	16.5	17.9
Larsen & Toubro	3,614	Buy	123.5	151.9	180.1	29.3	23.8	20.1	4.6	4.0	3.5	16.5	18.0	18.8
Siemens	3,023	Neutral	67.9	59.1	69.9	44.5	51.2	43.2	6.1	5.4	4.8	13.7	10.6	11.2
Siemens Energy	2,613	Buy	30.9	41.0	58.7	84.5	63.8	44.5	21.2	16.1	11.8	25.1	25.2	26.5
Thermax	3,295	Sell	60.4	67.0	81.5	54.5	49.2	40.4	6.8	6.1	5.4	13.0	13.0	14.2
Triveni Turbine	460	Buy	11.9	13.4	15.4	38.7	34.5	29.9	9.9	8.2	6.9	28.1	26.1	25.0
Zen Technologies	1,368	Neutral	19.5	37.1	48.4	70.2	36.9	28.3	6.6	5.6	4.7	9.9	16.5	18.1

For Siemens Energy, FY26E/FY27E/FY28E indicate Sep'25/Sep'26/Sep'27 Y/E data; For SIEM, FY26E indicate 18 months Mar'26 Y/E data, and FY27E/FY28E indicate 12 months Mar Y/E data

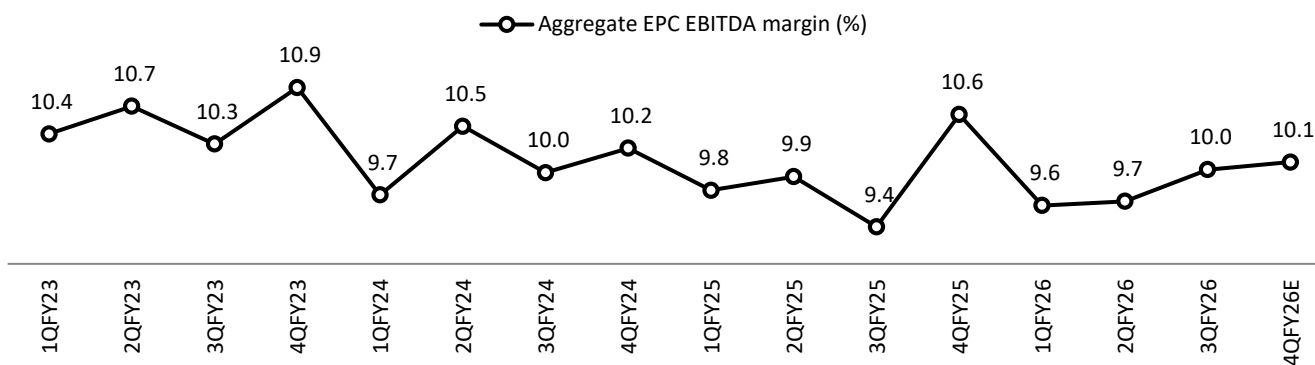
**Exhibit 3: Relative performance – three months (%)**


Source: Bloomberg, MOFSL

**Exhibit 4: Relative performance – one year (%)**


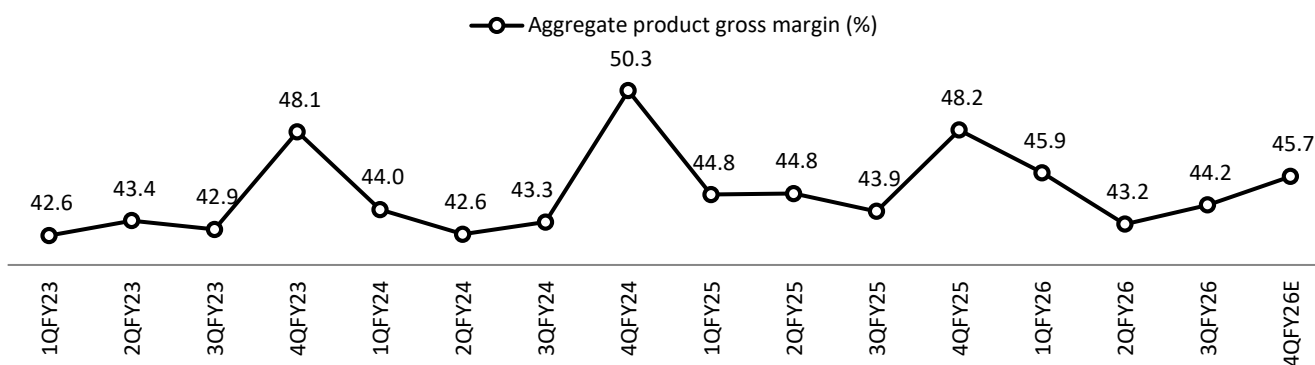
Source: Bloomberg, MOFSL

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



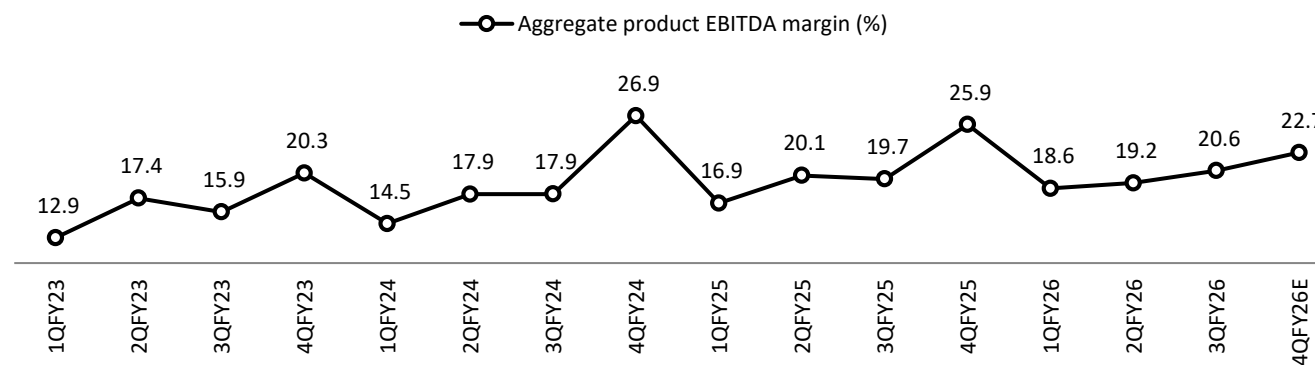
Source: Company, MOFSL

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



Source: Company, MOFSL

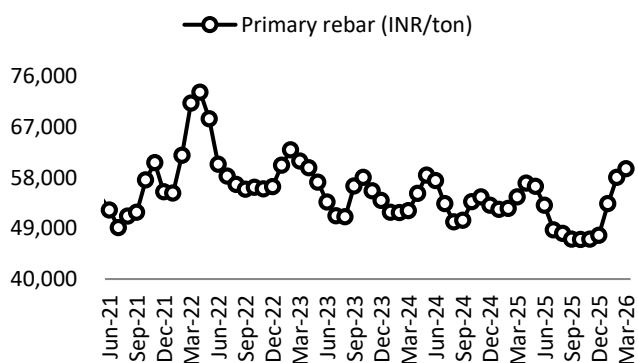
**Exhibit 7: EBITDA margin snapshot for product companies under our coverage**



Source: Company, MOFSL

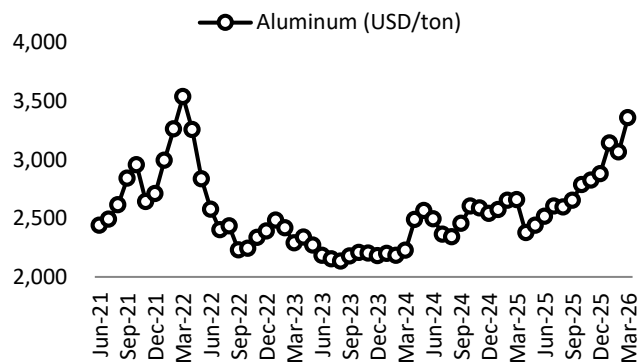
**Commodity prices have been moving up over the past few quarters**

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



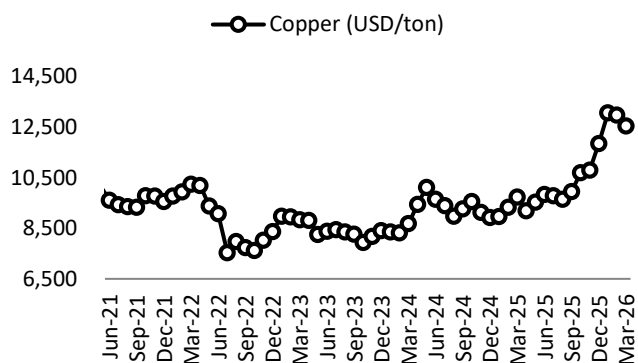
Source: Bloomberg, MOFSL

**Exhibit 9: Aluminum price trend (USD/ton)**



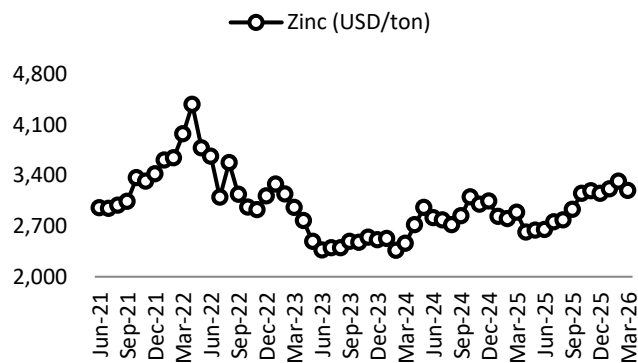
Source: Bloomberg, MOFSL

**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

**Buy**
**CMP: INR6,145 | TP: INR6,600 (+7%)**
**EPS CHANGE (%): CY26 | CY27: -|-**

- We expect revenue to grow 10% YoY, driven by execution improvement in Electrification/Motion, while process automation revenue can remain weak in the near term.
- Key monitorables include the sustainability of order inflow across base orders and large orders, margin trajectory across Electrification & motion, and export momentum.
- We expect margins to contract ~220bp YoY mainly due to the high base of last year and margin moderation across segments.
- We will watch out for incremental orders from transmission, railways, data centers, and private capex, and the impact of the Robotics business transfer.

### Standalone - Quarterly Earnings Model

**(INR m)**

Y/E December	CY25				CY26E				CY25	CY26E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Net Sales</b>	<b>31,596</b>	<b>31,754</b>	<b>33,107</b>	<b>35,570</b>	<b>34,881</b>	<b>35,713</b>	<b>37,679</b>	<b>43,914</b>	<b>1,32,027</b>	<b>1,52,186</b>
YoY Change (%)	2.6	12.2	13.7	5.7	10.4	12.5	13.8	23.5	8.3	15.3
Total Expenditure	25,773	27,614	28,103	29,448	29,235	29,755	31,419	36,459	1,10,938	1,26,868
<b>EBITDA</b>	<b>5,823</b>	<b>4,141</b>	<b>5,004</b>	<b>6,122</b>	<b>5,645</b>	<b>5,957</b>	<b>6,260</b>	<b>7,455</b>	<b>21,089</b>	<b>25,318</b>
YoY Change (%)	3.0	-23.7	-7.4	-6.9	-3.0	43.9	25.1	21.8	-8.5	20.1
Margins (%)	18.4	13.0	15.1	17.2	16.2	16.7	16.6	17.0	16.0	16.6
Depreciation	338	355	366	396	413	413	413	413	1,455	1,653
Interest	47	42	56	54	47	47	47	47	199	188
Other Income	923	998	840	763	935	982	1,007	1,004	3,523	3,929
<b>PBT before EO expense</b>	<b>6,361</b>	<b>4,741</b>	<b>5,421</b>	<b>6,435</b>	<b>6,120</b>	<b>6,479</b>	<b>6,807</b>	<b>7,999</b>	<b>22,959</b>	<b>27,406</b>
Extra-Ord expense				659					659	
<b>PBT</b>	<b>6,361</b>	<b>4,741</b>	<b>5,421</b>	<b>5,776</b>	<b>6,120</b>	<b>6,479</b>	<b>6,807</b>	<b>7,999</b>	<b>22,299</b>	<b>27,406</b>
Tax	1,620	1,220	1,332	1,433	1,493	1,581	1,661	1,956	5,605	6,691
Rate (%)	25.5	25.7	24.6	24.8	24.4	24.4	24.4	24.5	25.1	24.4
<b>Reported PAT</b>	<b>4,741</b>	<b>3,521</b>	<b>4,089</b>	<b>4,343</b>	<b>4,627</b>	<b>4,898</b>	<b>5,146</b>	<b>6,043</b>	<b>16,694</b>	<b>20,715</b>
<b>Adj PAT</b>	<b>4,741</b>	<b>3,521</b>	<b>4,089</b>	<b>4,837</b>	<b>4,627</b>	<b>4,898</b>	<b>5,146</b>	<b>6,043</b>	<b>17,187</b>	<b>20,715</b>
YoY Change (%)	3.2	-20.5	-7.2	-9.1	-2.4	39.1	25.9	24.9	-8.3	20.5
Margins (%)	15.0	11.1	12.4	13.6	13.3	13.7	13.7	13.8	13.0	13.6

## Astra Microwave Products

**Buy**
**CMP: INR953 | TP: INR1,150 (+21%)**
**EPS CHANGE (%): FY26 | FY27 | FY28: +2 | +4 | -1**

- We expect revenue to grow 11% YoY, driven by healthy execution of the opening order book of ~INR26b.
- Key monitorables include defense and non-defense ordering, NWC, EBITDA margin sustainability, and an update on the demerger of non-defense segments.
- We expect the margin to contract 360bp YoY on a high base of last year.
- Update on orders for QRSAM, AESA radars, Su-30 EW upgrades, and several other systems where ASTRA is qualified will be monitored going forward.

### Consolidated - Quarterly Earnings Model

**(INR m)**

Y/E March	FY25				FY26E				FY25	FY26E
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Gross Sales</b>	<b>1,552</b>	<b>2,296</b>	<b>2,585</b>	<b>4,079</b>	<b>1,997</b>	<b>2,146</b>	<b>2,602</b>	<b>4,542</b>	<b>10,512</b>	<b>11,288</b>
YoY Change (%)	16.0	20.8	11.9	15.2	28.7	-6.5	0.7	11.4	15.7	7.4
Total Expenditure	1,312	1,804	1,823	2,883	1,588	1,667	1,777	3,376	7,822	8,408
<b>EBITDA</b>	<b>240</b>	<b>492</b>	<b>762</b>	<b>1,196</b>	<b>410</b>	<b>478</b>	<b>825</b>	<b>1,166</b>	<b>2,690</b>	<b>2,879</b>
YoY Change (%)	679.4	18.2	15.2	48.1	70.6	-2.8	8.3	-2.5	40.4	7.0
Margins (%)	15.5	21.4	29.5	29.3	20.5	22.3	31.7	25.7	25.6	25.5
Depreciation	82	62	95	111	93	101	114	91	350	399
Interest	104	126	149	192	146	135	130	236	571	647
Other Income	21	22	23	110	25	57	32	33	175	148
<b>PBT before EO expense</b>	<b>75</b>	<b>326</b>	<b>540</b>	<b>1,003</b>	<b>195</b>	<b>300</b>	<b>614</b>	<b>871</b>	<b>1,944</b>	<b>1,981</b>
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
<b>PBT</b>	<b>75</b>	<b>326</b>	<b>540</b>	<b>1,003</b>	<b>195</b>	<b>300</b>	<b>614</b>	<b>871</b>	<b>1,944</b>	<b>1,981</b>
Tax	21	83	141	256	48	85	194	188	502	515
Rate (%)	28.7	25.5	26.2	25.6	24.6	28.2	31.7	21.5	25.8	26.0
MI & P/L of Asso. Cos.	-19	-11	-76	11	-15	-23	-49	-20	-94	-108
<b>Reported PAT</b>	<b>72</b>	<b>254</b>	<b>474</b>	<b>735</b>	<b>163</b>	<b>239</b>	<b>468</b>	<b>704</b>	<b>1,535</b>	<b>1,574</b>
<b>Adj PAT</b>	<b>72</b>	<b>254</b>	<b>474</b>	<b>735</b>	<b>163</b>	<b>239</b>	<b>468</b>	<b>704</b>	<b>1,535</b>	<b>1,574</b>
YoY Change (%)	NM	-15.4	9.3	35.1	125.9	-5.9	-1.3	-4.2	26.8	2.5
Margins (%)	4.6	11.1	18.3	18.0	8.1	11.1	18.0	15.5	14.6	13.9

## Bharat Dynamics

**Buy**
**CMP: INR1,186 | TP: INR1,500 (+26%)**
**EPS CHANGE (%): FY26|FY27|FY28: -22|-23|-17**

- We expect a revenue dip of 2% YoY, mainly due to its dependence on various other vendors and imports from Israel. Execution is likely to be led for key projects such as the Akash, Astra Mk-1, and anti-tank guided missile orders.
- Key monitorables include inflows for Akash-NG (including exports), QRSAM, supply chain management, and conversion of recently announced AoNs into firm orders.
- We expect margins to expand by 700bp YoY on ramp-up in execution and operating leverage.
- We cut our revenue and margin estimates due to ongoing supply chain issues and lower TP to INR1,500.
- Key monitorables: Share of bought-out components, which weighed on margins in the past two quarters; the onset of two new facilities in FY27 that enhance execution visibility.

### Standalone - Quarterly

Income Statement	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Y/E March</b>										
<b>Net revenue</b>	1,912	5,448	8,321	17,770	2,479	11,470	5,666	17,458	33,451	37,074
Change (%)	-35.8	-11.5	38.3	108.0	29.7	110.6	-31.9	-1.8	41.2	10.8
Expenses	2,435	4,459	7,053	14,780	2,933	9,595	5,406	13,306	28,727	31,241
<b>EBITDA</b>	-523	988	1,269	2,990	-454	1,875	260	4,152	4,724	5,833
Change (%)	NA	-26.3	6.8	-5.5	NA	89.7	-79.5	38.9	-12.0	23.5
As of % Sales	-27.4	18.1	15.2	16.8	-18.3	16.3	4.6	23.8	14.1	15.7
Depreciation	157	177	177	197	177	191	193	216	707	776
Interest	12	7	7	7	7	13	7	6	33	33
Other Income	804	860	844	996	869	1,206	972	645	3,504	3,692
<b>PBT</b>	112	1,665	1,929	3,782	231	2,876	1,032	4,576	7,488	8,715
Tax	40	439	458	1,054	48	717	303	1,250	1,991	2,318
Effective Tax Rate (%)	35.8	26.4	23.7	27.9	20.7	24.9	29.3	27.3	26.6	26.6
Extra-ordinary Items	0	0	0	0	0	0	0	0	0	0
<b>Reported PAT</b>	72	1,225	1,471	2,728	183	2,159	729	3,326	5,496	6,397
<b>Adj PAT</b>	72	1,225	1,471	2,728	183	2,159	729	3,326	5,496	6,397
Change (%)	-82.7	-16.7	9.0	-5.5	154.3	76.2	-50.4	21.9	-10.3	16.4
As of % Sales	3.8	22.5	17.7	15.4	7.4	18.8	12.9	19.1	16.4	17.3

## Bharat Electronics

**Buy**
**CMP: INR422 | TP: INR520 (+23%)**
**EPS CHANGE (%): FY26|FY27|FY28: -|-|-**

- We expect revenue growth of 14% YoY, led by the healthy execution of the opening order book of INR730b.
- Key monitorables include updates on orders for QRSAM, Uttam radars, next-gen corvettes, Shatrughat EW, and Akash-NG missile systems, as well as the status of EoI for AMCA, execution improvement, and further indigenization.
- We expect margins to contract 320bp YoY to 27.4% on a high base but remain at strong levels for FY26.
- The company provided provisional numbers with orders of INR300b, including export orders of USD346m, and revenue (excl. other operating income) of INR268b (+16% YoY), including export revenue of USD142m (+34% YoY).

### Standalone Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Net Sales</b>	41,988	45,834	57,561	91,197	44,168	57,637	71,220	1,03,713	2,36,580	2,76,738
Change (%)	19.6	14.8	39.1	6.9	5.2	25.8	23.7	13.7	17.3	17.0
<b>EBITDA</b>	9,367	13,885	16,533	27,890	12,399	16,953	21,176	28,375	67,676	78,904
Change (%)	41.0	38.2	57.5	22.3	32.4	22.1	28.1	1.7	35.4	16.6
As of % Sales	22.3	30.3	28.7	30.6	28.1	29.4	29.7	27.4	28.6	28.5
Depreciation	997	1,032	1,029	1,298	1,129	1,185	1,275	1,380	4,356	4,968
Interest	12	13	13	58	14	17	20	45	96	96
Other Income	2,015	1,668	2,051	1,942	1,636	1,591	1,595	1,969	7,676	6,791
<b>PBT</b>	10,373	14,509	17,542	28,476	12,892	17,343	21,477	28,919	70,900	80,631
Tax	2,612	3,596	4,381	7,428	3,201	4,482	5,576	7,231	18,017	20,490
Effective Tax Rate (%)	25.2	24.8	25.0	26.1	24.8	25.8	26.0	25.0	25.4	25.4
<b>Reported PAT</b>	7,761	10,913	13,161	21,048	9,691	12,861	15,901	21,688	52,883	60,141
Change (%)	46.2	34.3	47.3	18.0	24.9	17.9	20.8	3.0	31.5	13.7
<b>Adj PAT</b>	7,761	10,913	13,161	21,048	9,691	12,861	15,901	21,688	52,883	60,141
Change (%)	46.2	34.3	47.3	18.0	24.9	17.9	20.8	3.0	31.5	13.7

## Cummins India

**Buy**
**CMP: INR4,642 | TP: INR5,500 (+18%)**
**EPS CHANGE (%): FY26|FY27|FY28: -|-|-**

- We expect revenue to grow 16% YoY, driven by the low base of powergen, industrial, and distribution last year. Demand has remained strong for powergen in mid-kva and HHP ranges. The industrial segment can also benefit from improved activity in Jan-Feb. Exports in the near term can see an impact on 3-4% of revenues from the Middle East.
- Key monitorables include demand sustainability, cost pressures, price hikes, and export trajectory.
- We expect the EBITDA margin to contract ~110bp QoQ, which benefited in 3QFY26 from the one-offs. On a YoY basis, we expect a ~150bp contraction.
- In the near-term, we expect demand for Powergen to remain healthy, the Industrial segment to see sequential recovery, distribution revenues to remain strong, and exports to be volatile due to the ongoing war.

### Standalone - Quarterly Snapshot

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Net Sales</b>	<b>23,042</b>	<b>24,923</b>	<b>30,860</b>	<b>24,569</b>	<b>29,068</b>	<b>31,703</b>	<b>30,549</b>	<b>28,515</b>	<b>1,03,394</b>	<b>1,19,835</b>
YoY Change (%)	4.3	31.2	21.8	6.1	26.2	27.2	-1.0	16.1	15.4	15.9
Total Expenditure	18,369	20,113	24,860	19,372	22,833	24,755	24,205	22,889	82,714	94,682
<b>EBITDA</b>	<b>4,673</b>	<b>4,810</b>	<b>6,000</b>	<b>5,197</b>	<b>6,235</b>	<b>6,948</b>	<b>6,345</b>	<b>5,626</b>	<b>20,680</b>	<b>25,153</b>
YoY Change (%)	37.2	42.1	11.5	-4.5	33.4	44.4	5.7	8.3	17.4	21.6
Margins (%)	20.3	19.3	19.4	21.2	21.4	21.9	20.8	19.7	20.0	21.0
Depreciation	439	452	481	457	479	492	504	486	1,829	1,961
Interest	48	26	27	52	27	26	48	67	151	166
Other Income	1,322	1,611	1,209	2,119	1,529	1,964	1,397	2,234	6,261	7,124
<b>PBT before EO expense</b>	<b>5,509</b>	<b>5,944</b>	<b>6,702</b>	<b>6,807</b>	<b>7,258</b>	<b>8,394</b>	<b>7,191</b>	<b>7,307</b>	<b>24,961</b>	<b>30,150</b>
Extra-Ord expense					-442	0	1,265	0	0	824
<b>PBT</b>	<b>5,509</b>	<b>5,944</b>	<b>6,702</b>	<b>6,807</b>	<b>7,700</b>	<b>8,394</b>	<b>5,925</b>	<b>7,307</b>	<b>24,961</b>	<b>29,326</b>
Tax	1,311	1,438	1,562	1,593	1,807	2,017	1,394	2,032	5,904	7,250
Rate (%)	23.8	24.2	23.3	23.4	23.5	24.0	23.5	27.8	23.7	24.7
<b>Reported PAT</b>	<b>4,198</b>	<b>4,506</b>	<b>5,140</b>	<b>5,214</b>	<b>5,893</b>	<b>6,377</b>	<b>4,531</b>	<b>5,275</b>	<b>19,058</b>	<b>22,076</b>
<b>Adj PAT</b>	<b>4,198</b>	<b>4,506</b>	<b>5,140</b>	<b>5,214</b>	<b>5,555</b>	<b>6,377</b>	<b>5,499</b>	<b>5,265</b>	<b>19,058</b>	<b>22,696</b>
YoY Change (%)	33.0	37.2	12.7	-7.2	32.3	41.5	7.0	1.0	14.7	19.1
Margins (%)	18.2	18.1	16.7	21.2	19.1	20.1	18.0	18.5	18.4	18.9

## Hindustan Aeronautics

**Buy**
**CMP: INR3,687 | TP: INR5,000 (+36%)**
**EPS CHANGE (%): FY26|FY27|FY28: -17|-15|-12**

- We expect revenue to decline 4% YoY, mainly due to the delay in deliveries of HTT-40 and LCA Mk1A.
- Key monitorables include the status of deliveries of Tejas Mk1A and HTT-40, updates on CATS warrior drone systems, NWC cycle, as well as execution ramp, any major provisions made, and margin sustainability.
- We expect EBITDA margin to contract 840bp YoY due to disrupted supply chains and an increase in the share of manufacturing in overall revenue.
- It reported an order book of INR2.54t for FY26. We cut our estimates and TP to INR5,000 to factor in the lower pace of deliveries of Tejas Mk1A and other projects.

### Consolidated - Quarterly Snapshot

(INR b)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Income Statement</b>										
<b>Net Sales</b>	<b>43.5</b>	<b>59.8</b>	<b>69.6</b>	<b>137.0</b>	<b>48.2</b>	<b>66.3</b>	<b>77.0</b>	<b>131.0</b>	<b>309.8</b>	<b>322.5</b>
Change (%)	11.0	6.0	14.8	(7.2)	10.8	10.9	10.7	(4.4)	3.9	4.1
Expenses	33.6	43.4	52.7	84.0	35.4	50.7	58.3	91.5	213.7	235.9
<b>EBITDA</b>	<b>9.9</b>	<b>16.4</b>	<b>16.8</b>	<b>52.9</b>	<b>12.8</b>	<b>15.6</b>	<b>18.7</b>	<b>39.5</b>	<b>96.1</b>	<b>86.6</b>
Change (%)	13.0	7.4	17.2	(10.3)	29.4	(5.0)	11.2	(25.4)	17.8	(9.8)
As of % Sales	22.8	27.4	24.2	38.6	26.6	23.5	24.3	30.2	31.0	26.9
Depreciation	1.5	1.8	2.8	7.4	1.9	2.3	3.1	8.2	13.4	15.4
Interest	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.1
Other Income	7.4	5.4	6.3	6.5	7.5	8.9	9.1	4.3	25.6	29.8
<b>PBT pre EO items</b>	<b>15.8</b>	<b>20.0</b>	<b>20.4</b>	<b>52.0</b>	<b>18.4</b>	<b>22.2</b>	<b>24.7</b>	<b>35.6</b>	<b>108.2</b>	<b>101.0</b>
Extra-ordinary Items	-	0.1	-	-	-	-	-	-	0.1	-
<b>PBT</b>	<b>15.8</b>	<b>20.1</b>	<b>20.4</b>	<b>52.0</b>	<b>18.4</b>	<b>22.2</b>	<b>24.7</b>	<b>35.6</b>	<b>108.3</b>	<b>101.0</b>
Tax	1.5	5.1	6.0	12.4	4.7	5.6	6.2	9.1	25.0	25.6
Effective Tax Rate (%)	9.3	25.5	29.6	23.9	25.5	25.1	25.1	25.5	23.1	25.3
MI & P/L Share of JV	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.2	0.4	0.5
<b>Reported PAT</b>	<b>14.4</b>	<b>15.1</b>	<b>14.4</b>	<b>39.8</b>	<b>13.8</b>	<b>16.7</b>	<b>18.7</b>	<b>26.7</b>	<b>83.6</b>	<b>75.9</b>
<b>Adj PAT</b>	<b>14.4</b>	<b>15.0</b>	<b>14.4</b>	<b>39.8</b>	<b>13.8</b>	<b>16.7</b>	<b>18.7</b>	<b>26.7</b>	<b>83.6</b>	<b>75.9</b>
Margin (%)	33.1	25.2	20.7	29.0	28.7	25.2	24.2	20.4	27.0	23.5
Change (%)	76.5	21.7	14.1	(7.7)	(3.7)	10.9	29.6	(32.9)	38.4	(9.2)

## Hitachi Energy India

**Sell**
**CMP: INR25,349 | TP: INR18,400 (-27%)**
**EPS CHANGE (%): FY26|FY27|FY28: -|-|-**

- We expect revenue growth of 26% YoY, led by healthy execution of the opening order book of INR299b.
- Key monitorables include margins ramp-up, execution commencement in new HVDC projects, export execution, and capex deployment towards expansion.
- We expect EBITDA margin to expand ~220bp YoY, aided by improved prices, operating leverage gains, and improved order book mix.
- We will watch out for any impact of Middle East tension on export order execution. Also, the availability of chips for electronic systems to be monitored closely.

### Standalone - Quarterly Snapshot

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Net Sales</b>	<b>13,272</b>	<b>15,537</b>	<b>16,203</b>	<b>18,837</b>	<b>14,789</b>	<b>18,326</b>	<b>20,822</b>	<b>23,752</b>	<b>63,849</b>	<b>77,689</b>
Change (%)	27.6	26.5	27.2	11.1	11.4	17.9	28.5	26.1	21.9	21.7
<b>EBITDA</b>	<b>479</b>	<b>1,097</b>	<b>1,669</b>	<b>2,713</b>	<b>1,549</b>	<b>2,990</b>	<b>3,453</b>	<b>3,947</b>	<b>5,958</b>	<b>11,939</b>
Change (%)	42.3	68.0	145.5	49.1	223.4	172.5	106.9	45.5	70.7	100.4
As % of Sales	3.6	7.1	10.3	14.4	10.5	16.3	16.6	16.6	9.3	15.4
Depreciation	221	228	230	235	250	258	266	407	914	1,181
Interest	109	164	120	60	40	29	25	59	452	152
Other Income	1	1	2	182	509	698	618	546	186	2,371
<b>PBT</b>	<b>150</b>	<b>706</b>	<b>1,322</b>	<b>2,600</b>	<b>1,769</b>	<b>3,401</b>	<b>3,780</b>	<b>4,027</b>	<b>4,778</b>	<b>12,977</b>
Tax	46	183	467	628	453	886	864	1,394	1,324	3,596
Effective Tax Rate (%)	30.8	25.9	35.3	24.1	25.6	26.0	22.8	34.6	27.7	27.7
Extra-ordinary Items			519	(134)		128	(302)	-	386	(175)
<b>Reported PAT</b>	<b>104</b>	<b>523</b>	<b>1,374</b>	<b>1,839</b>	<b>1,316</b>	<b>2,644</b>	<b>2,614</b>	<b>2,633</b>	<b>3,840</b>	<b>9,207</b>
Change (%)	332.4	111.4	498.1	61.8	1,163.0	405.6	90.3	43.2	110.9	171.6
<b>Adj PAT</b>	<b>104</b>	<b>523</b>	<b>855</b>	<b>1,973</b>	<b>1,316</b>	<b>2,516</b>	<b>2,917</b>	<b>2,633</b>	<b>3,454</b>	<b>9,381</b>
Change (%)	332.4	111.4	272.1	73.5	1,163.0	381.1	241.2	33.5	110.9	171.6
As % of Sales	2.5	0.7	1.7	0.4	7.9	2.1	1.2	0.1	0.2	0.2

## Kalpataru Projects International

**Buy**
**CMP: INR1,104 | TP: INR1,500 (+36%)**
**EPS CHANGE (%): FY26|FY27|FY28: -|-|-**

- We expect revenue growth of 7% YoY on strong execution across segments such as T&D, B&F, and O&G, barring the Water segment, which is still slow.
- Key monitorables include execution ramp-up, margin trajectory, and customer collections. We would also watch out for any impairment in Fastel and any gain in the Vindhyachal road project stake sale.
- We expect an EBITDA margin of 8.5% (+10bp YoY/+20bp QoQ) and a gradual improvement in the next year.
- We will monitor the working capital cycle, payment trends in water projects, and the impact of the ongoing war in the Middle East on Saudi Aramco/regional orders (~10% of the order book).

### Standalone - Quarterly Snapshot

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Net Sales</b>	<b>37,219</b>	<b>41,361</b>	<b>48,257</b>	<b>62,042</b>	<b>50,397</b>	<b>54,188</b>	<b>57,876</b>	<b>66,381</b>	<b>1,88,879</b>	<b>2,28,842</b>
YoY Change (%)	2.8	7.6	16.4	20.5	35.4	31.0	19.9	7.0	12.7	21.2
Total Expenditure	34,085	37,877	44,239	56,810	46,114	49,716	53,063	60,749	1,73,009	2,09,642
<b>EBITDA</b>	<b>3,135</b>	<b>3,485</b>	<b>4,019</b>	<b>5,232</b>	<b>4,284</b>	<b>4,472</b>	<b>4,813</b>	<b>5,632</b>	<b>15,870</b>	<b>19,200</b>
YoY Change (%)	-0.2	13.1	16.8	30.8	36.7	28.3	19.8	7.6	16.2	21.0
Margins (%)	8.4	8.4	8.3	8.4	8.5	8.3	8.3	8.5	8.4	8.4
Depreciation	929	914	956	949	936	966	1,005	1,012	3,749	3,920
Interest	861	998	1,071	877	840	1,025	926	996	3,807	3,786
Other Income	295	264	185	235	234	242	255	342	979	1,073
<b>PBT before EO expense</b>	<b>1,640</b>	<b>1,836</b>	<b>2,177</b>	<b>3,641</b>	<b>2,742</b>	<b>2,723</b>	<b>3,138</b>	<b>3,966</b>	<b>9,294</b>	<b>12,568</b>
Extra-Ord expense	-	-	-	330	-	-	295	-	330	295
<b>PBT</b>	<b>1,640</b>	<b>1,836</b>	<b>2,177</b>	<b>3,311</b>	<b>2,742</b>	<b>2,723</b>	<b>2,843</b>	<b>3,966</b>	<b>8,964</b>	<b>12,273</b>
Tax	474	513	604	894	734	724	730	1,298	2,485	3,486
Rate (%)	28.9	27.9	27.7	27.0	26.8	26.6	25.7	32.7	27.7	28.4
<b>Reported PAT</b>	<b>1,166</b>	<b>1,323</b>	<b>1,574</b>	<b>2,416</b>	<b>2,008</b>	<b>1,999</b>	<b>2,112</b>	<b>2,668</b>	<b>6,479</b>	<b>8,787</b>
<b>Adj PAT</b>	<b>1,166</b>	<b>1,323</b>	<b>1,574</b>	<b>2,657</b>	<b>2,008</b>	<b>1,999</b>	<b>2,331</b>	<b>2,660</b>	<b>6,718</b>	<b>8,998</b>
YoY Change (%)	-7.4	17.1	9.3	51.8	72.1	51.1	48.2	0.1	20.3	33.9
Margins (%)	3.1	3.2	3.3	4.3	4.0	3.7	4.0	4.0	3.6	3.9

## KEC International

**Buy**
**CMP: INR529 | TP: INR750 (+42%)**
**EPS CHANGE (%): FY26|FY27|FY28: -6|-6|-6**

- We expect 3% YoY revenue growth for 4QFY26 on lower execution from exposure to the Middle East projects.
- Key monitorables include T&D and civil order pipeline, execution ramp-up, non-T&D margin recovery, working capital/debt reduction, and resolution of PGCIL ban.
- We expect EBITDA margin to contract 80bp YoY/20bp QoQ, due to lower revenues resulting in operating de-leverage.
- We cut our estimates to factor in lower execution and margins, and subsequently reduced our TP to INR750.

### Consolidated - Quarterly Snapshot

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	45,119	51,133	53,494	68,721	50,229	60,916	60,014	70,561	2,18,467	2,41,719
YoY Change (%)	6.3	13.7	6.8	11.5	11.3	19.1	12.2	2.7	9.7	10.6
Total Expenditure	42,415	47,931	49,749	63,333	46,728	56,612	55,714	65,598	2,03,428	2,24,651
EBITDA	2,704	3,202	3,745	5,388	3,501	4,304	4,300	4,962	15,039	17,067
YoY Change (%)	10.6	16.7	21.6	38.9	29.5	34.4	14.8	(7.9)	23.8	13.5
Margins (%)	6.0	6.3	7.0	7.8	7.0	7.1	7.2	7.0	6.9	7.1
Depreciation	465	453	453	465	459	506	504	584	1,837	2,052
Interest	1,550	1,681	1,702	1,703	1,511	1,715	1,711	1,710	6,636	6,648
Other Income	431	66	9	202	54	46	102	203	709	406
PBT before EO expense	1,120	1,135	1,598	3,422	1,585	2,130	2,187	2,871	7,275	8,773
Extra-Ord expense							588	0		588
PBT	1,120	1,135	1,598	3,422	1,585	2,130	1,599	2,871	7,275	8,186
Tax	245	281	303	740	339	522	325	788	1,568	1,974
Rate (%)	21.8	24.7	18.9	21.6	21.4	24.5	20.3	27.4	21.5	24.1
Reported PAT	876	854	1,296	2,682	1,246	1,608	1,275	2,084	5,707	6,212
Adj PAT	876	854	1,296	2,682	1,246	1,608	1,743	2,061	5,707	6,658
YoY Change (%)	106.9	53.1	33.7	76.7	42.3	88.2	34.5	(23.1)	64.6	16.6
Margins (%)	1.9	1.7	2.4	3.9	2.5	2.6	2.9	2.9	2.6	2.8

## Kirloskar Oil Engines

**Buy**
**CMP: INR1,388 | TP: INR1,600 (+15%)**
**EPS CHANGE (%): FY26|FY27|FY28: -|-|-**

- We expect revenue to decline 1% YoY as B2C revenues were part of the 4QFY25 financials. Ex-B2C, we expect revenue growth of 16% YoY, driven by strong performance from powergen, industrial, and distribution segments.
- Key monitorables include penetration of KOEL's products in the HHP range, pricing, and margin trajectory amid ongoing product-mix shifts and export ramp-up.
- We expect EBITDA margin to expand 150bp YoY, driven by favorable product mix (HHP and exports), and operating leverage on higher volumes.
- We expect the impact of the Middle East war to be limited on export revenue in 4QFY26. However, if the war is prolonged, it can impact export revenues from the Middle East and the US for KOEL.

### Standalone - Quarterly Snapshot

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	13,429	11,944	11,636	14,125	14,447	14,595	13,806	13,960	51,133	56,808
YoY Change (%)	6.2	12.8	2.5	1.5	7.6	22.2	18.6	(1.2)	5.4	11.1
Total Expenditure	11,452	10,294	10,466	12,384	12,545	12,555	12,118	12,035	44,596	49,252
EBITDA	1,977	1,650	1,170	1,741	1,902	2,040	1,688	1,925	6,537	7,555
YoY Change (%)	28.0	67.3	(12.0)	(2.3)	(3.8)	23.7	44.3	10.6	15.9	15.6
Margins (%)	14.7	13.8	10.1	12.3	13.2	14.0	12.2	13.8	12.8	13.3
Depreciation	247	266	320	337	340	348	361	349	1,170	1,398
Interest	27	26	31	37	32	28	22	14	121	96
Other Income	108	118	68	52	123	116	80	92	344	411
PBT before EO expense	1,810	1,476	887	1,419	1,653	1,780	1,385	1,654	5,590	6,472
Extra-Ord expense				(209)	-	-	201	-	(209)	201
PBT	1,810	1,476	887	1,628	1,653	1,780	1,184	1,654	5,799	6,272
Tax	462	365	236	416	425	445	311	420	1,480	1,601
Rate (%)	25.5	24.7	26.7	25.6	25.7	25.0	26.2	25.4	25.5	25.5
Reported PAT	1,347	1,111	650	1,211	1,228	1,335	874	1,234	4,319	4,671
Adj PAT	1,347	1,111	650	1,056	1,228	1,335	1,022	1,236	4,164	4,821
YoY Change (%)	30.5	89.6	(20.9)	(10.2)	(8.8)	20.2	57.1	17.1	15.1	15.8
Margins (%)	10.0	9.3	5.6	7.5	8.5	9.1	7.4	8.9	8.1	8.5

## Larsen & Toubro

**Buy**
**CMP: INR3,614 | TP: INR4,200 (+16%)**
**EPS CHANGE (%): FY26|FY27|FY28: -5|-3|-2**

- We expect consolidated revenue growth of 17% YoY, led by 19% YoY revenue growth for Core E&C.
- Key monitorables include execution of order book in the Middle East, potential to reconstruct post the war, ramp-up in domestic ordering, margin performance, and NWC.
- We cut our estimates to factor in the revised financials of IT subsidiaries, which are hit by AI-led disruptions.
- We expect EBITDA margin to contract 30bp YoY to 9.6% for Core E&C to factor in the current disruption in work at some locations in the Middle East.
- We will also watch out for an update on the Middle East ordering and execution, stake sale progress in Hyderabad metro, and Nabha Power.
- We cut our TP to INR4,200 on Mar'28 estimates.

**Consolidated - Quarterly Earnings Model**

Y/E March - INR b	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Net Sales</b>	<b>551</b>	<b>616</b>	<b>647</b>	<b>744</b>	<b>637</b>	<b>680</b>	<b>714</b>	<b>874</b>	<b>2,557</b>	<b>2,905</b>
YoY Change (%)	15.1	20.6	17.3	10.9	15.5	10.4	10.5	17.4	15.7	13.6
<b>Total Expenditure</b>	<b>495</b>	<b>552</b>	<b>584</b>	<b>662</b>	<b>574</b>	<b>612</b>	<b>640</b>	<b>782</b>	<b>2,293</b>	<b>2,608</b>
<b>EBITDA</b>	<b>56</b>	<b>64</b>	<b>63</b>	<b>82</b>	<b>63</b>	<b>68</b>	<b>74</b>	<b>91</b>	<b>264</b>	<b>297</b>
YoY Change (%)	15.3	13.0	8.6	13.4	12.5	7.0	18.6	11.4	12.5	12.3
Margins (%)	10.2	10.3	9.7	11.0	9.9	10.0	10.4	10.5	10.3	10.2
Depreciation	10	10	10	11	10	11	11	11	41	43
Interest	9	9	8	7	8	8	6	8	33	30
Other Income	9	11	10	11	14	14	14	9	41	51
<b>PBT before EO expense</b>	<b>47</b>	<b>56</b>	<b>53</b>	<b>75</b>	<b>59</b>	<b>63</b>	<b>72</b>	<b>81</b>	<b>231</b>	<b>275</b>
Extra-Ord expense	-	-	-	-5	-	-	13	-	-5	13
<b>PBT</b>	<b>47</b>	<b>56</b>	<b>53</b>	<b>80</b>	<b>59</b>	<b>63</b>	<b>58</b>	<b>81</b>	<b>236</b>	<b>261</b>
Tax	12	14	13	19	15	16	20	23	59	74
Rate (%)	26.4	26.0	25.0	23.5	26.2	26.0	34.2	27.9	25.0	28.4
MI & P/L of Asso. Cos.	7	7	6	6	7	8	6	6	27	26
<b>Reported PAT</b>	<b>28</b>	<b>34</b>	<b>34</b>	<b>55</b>	<b>36</b>	<b>39</b>	<b>32</b>	<b>53</b>	<b>150</b>	<b>160</b>
<b>Adj PAT</b>	<b>28</b>	<b>34</b>	<b>34</b>	<b>51</b>	<b>36</b>	<b>39</b>	<b>41</b>	<b>54</b>	<b>147</b>	<b>170</b>
YoY Change (%)	11.7	5.4	14.0	18.8	29.8	15.6	22.1	4.4	13.0	15.8
Margins (%)	5.1	5.5	5.2	6.9	5.7	5.8	5.7	6.1	5.7	5.9

## Siemens Ltd

**Neutral**
**CMP: INR3,023 | TP: INR3,150 (+4%)**
**EPS CHANGE (%): 18M26E|12M2027E|12M2028E: -1|1|-**

- We expect revenue to grow 2% YoY, with the Smart Infra and Mobility segment growing 10%/20% YoY and the digital segment declining 4% YoY.
- Key monitorables include order inflow trajectory across segments, margin trajectory, and execution of the locomotive order.
- We expect EBITDA margin to expand ~10bp YoY only as we expect forex volatility to impact margins in digital industries and mobility, similar to the previous quarter.
- Demand outlook from both the government and private sectors, and export outlook, will be keenly monitored.

**Consolidated - Quarterly Snapshot**

Income Statement	12FY24 (Y/E Sep)					18FY26E (Y/E Mar)					12M24	18M26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	5Q	6QE		
<b>Y/E March</b>												
<b>Net Sales</b>	<b>37,095</b>	<b>41,524</b>	<b>37,626</b>	<b>44,572</b>	<b>35,872</b>	<b>42,590</b>	<b>43,468</b>	<b>51,712</b>	<b>38,307</b>	<b>43,636</b>	<b>1,60,817</b>	<b>2,55,585</b>
Change (%)					-3.3	2.6	15.5	16.0	6.8	2.5		58.9
Expenses	32,565	35,155	32,773	39,122	31,863	37,915	38,254	45,541	34,088	38,773	1,39,615	2,26,434
<b>EBITDA</b>	<b>4,530</b>	<b>6,369</b>	<b>4,853</b>	<b>5,450</b>	<b>4,009</b>	<b>4,675</b>	<b>5,214</b>	<b>6,171</b>	<b>4,219</b>	<b>4,863</b>	<b>21,202</b>	<b>29,151</b>
Change (%)					-11.5	-26.6	7.4	13.2	5.2	4.0		37.5
As of % Sales	12.2	15.3	12.9	12.2	11.2	11.0	12.0	11.9	11.0	11.1	13.2	11.4
Depreciation	605	629	697	625	689	686	711	716	714	716	2,556	4,232
Interest	28	212	46	154	34	23	49	45	56	34	440	241
Other Income	1,618	3,253	1,569	2,331	1,723	1,515	1,241	1,224	843	998	8,771	7,544
<b>PBT pre EO items</b>	<b>5,515</b>	<b>8,781</b>	<b>5,679</b>	<b>7,002</b>	<b>5,009</b>	<b>5,481</b>	<b>5,695</b>	<b>6,634</b>	<b>4,292</b>	<b>5,111</b>	<b>26,977</b>	<b>32,222</b>
Extra-ordinary Items	0	0	0	0	0	0	0	0	-743	0	0	-743
<b>PBT</b>	<b>5,515</b>	<b>8,781</b>	<b>5,679</b>	<b>7,002</b>	<b>5,009</b>	<b>5,481</b>	<b>5,695</b>	<b>6,634</b>	<b>3,549</b>	<b>5,111</b>	<b>26,977</b>	<b>31,479</b>
Tax	1,399	2,289	1,309	1,776	1,288	1,402	1,461	1,780	861	1,265	6,773	8,057
Effective Tax Rate (%)	25.4	26.1	23.0	25.4	25.7	25.6	25.7	26.8	24.3	24.8	25.1	25.6
Disc. Operations	0	0	0	0	0	0	0	0	90	-90	0	0
<b>Reported PAT</b>	<b>4,116</b>	<b>6,492</b>	<b>4,370</b>	<b>5,226</b>	<b>3,721</b>	<b>4,079</b>	<b>4,234</b>	<b>4,854</b>	<b>2,778</b>	<b>3,756</b>	<b>20,204</b>	<b>23,422</b>
<b>Adj PAT</b>	<b>4,116</b>	<b>6,492</b>	<b>4,370</b>	<b>5,226</b>	<b>3,721</b>	<b>4,079</b>	<b>4,234</b>	<b>4,854</b>	<b>3,521</b>	<b>3,756</b>	<b>20,204</b>	<b>24,165</b>
Margin (%)	11.1	15.6	11.6	11.7	10.4	9.6	9.7	9.4	9.2	8.6	12.6	9.5
Change (%)	NA	NA	NA	NA	-9.6	-37.2	-3.1	-7.1	-5.4	-7.9		19.6

## Siemens Energy

**Buy**
**CMP: INR2,613 | TP: INR3,600 (+38%)**
**EPS CHANGE (%): FY26E|FY27E|FY28E: -|-|-**

- We expect revenue to grow 16% YoY, led by higher 25% YoY growth in power transmission and 5% YoY growth in power generation.
- Key monitorables include the status of capacity expansion, order inflows, and margin trajectory.
- We expect EBITDA to grow 39% YoY. We also expect EBITDA margin to improve YoY on better pricing and product mix for the power transmission business.
- T&D sector ordering and execution ramp-up, aided by the commissioning of additional capacities, will be in focus.

### Consolidated - Quarterly Snapshot

(INR m)

Income Statement Y/E September	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
<b>Net Sales</b>	<b>15,169</b>	<b>18,795</b>	<b>17,846</b>	<b>26,457</b>	<b>19,109</b>	<b>21,838</b>	<b>22,787</b>	<b>31,213</b>	<b>78,267</b>	<b>94,947</b>
Change (%)	NA	NA	20.2	27.3	26.0	16.2	27.7	18.0	NA	21.3
Expenses	11,816	15,210	14,443	21,664	14,501	16,859	18,228	25,858	63,133	75,446
<b>EBITDA</b>	<b>3,353</b>	<b>3,585</b>	<b>3,403</b>	<b>4,793</b>	<b>4,608</b>	<b>4,978</b>	<b>4,560</b>	<b>5,355</b>	<b>15,134</b>	<b>19,501</b>
Change (%)	NA	NA	59.5	24.5	37.4	38.9	34.0	11.7	NA	28.9
As of % Sales	22.1	19.1	19.1	18.1	24.1	22.8	20.0	17.2	19.3	20.5
Depreciation	207	243	266	314	323	266	266	293	1,030	1,148
Interest	44	33	142	63	74	69	72	67	282	282
Other Income	16	144	525	368	493	303	303	333	1,053	1,433
<b>PBT pre EO items</b>	<b>3,118</b>	<b>3,453</b>	<b>3,520</b>	<b>4,784</b>	<b>4,704</b>	<b>4,947</b>	<b>4,524</b>	<b>5,329</b>	<b>14,875</b>	<b>19,504</b>
Extra-ordinary Items	0	0	0	0	-519	0	0	0	0	-519
<b>PBT</b>	<b>3,118</b>	<b>3,453</b>	<b>3,520</b>	<b>4,784</b>	<b>4,185</b>	<b>4,947</b>	<b>4,524</b>	<b>5,329</b>	<b>14,875</b>	<b>18,985</b>
Tax	801	992	893	1,188	1,056	1,266	1,158	1,434	3,874	4,915
Effective Tax Rate (%)	25.7	28.7	25.4	24.8	25.2	25.6	25.6	26.9	26.0	25.9
<b>Reported PAT</b>	<b>2,317</b>	<b>2,461</b>	<b>2,627</b>	<b>3,596</b>	<b>3,129</b>	<b>3,680</b>	<b>3,366</b>	<b>3,895</b>	<b>11,001</b>	<b>14,070</b>
<b>Adj PAT</b>	<b>2,317</b>	<b>2,461</b>	<b>2,627</b>	<b>3,596</b>	<b>3,648</b>	<b>3,680</b>	<b>3,366</b>	<b>3,895</b>	<b>11,001</b>	<b>14,589</b>
Margin (%)	15.3	13.1	14.7	13.6	19.1	16.9	14.8	12.5	14.1	15.4
Change (%)	NA	NA	80.2	31.4	57.4	49.5	28.1	8.3	NA	9.3

## Thermax

**Sell**
**CMP: INR3,295 | TP: INR2,900 (-12%)**
**EPS CHANGE (%): FY26|FY27|FY28: -3.4|-|-**

- We expect revenue to grow 7% YoY, driven by industrial products, green solutions, and the chemicals segment.
- Key monitorables include conversion of industrial infra/data-center enquiries into orders, execution of legacy low-margin projects, chemicals volume/margin recovery, and green solutions ramp-up and profitability.
- We expect EBITDA margin to expand ~30bp YoY/QoQ, driven by mix improvement and operating leverage, partly offset by weakness in chemicals.
- The performance of key subsidiaries (FEPL and TOESL) needs to be monitored closely.

### Consolidated - Quarterly Snapshot

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Net Sales</b>	<b>21,844</b>	<b>26,116</b>	<b>25,078</b>	<b>30,849</b>	<b>21,502</b>	<b>24,739</b>	<b>26,347</b>	<b>32,964</b>	<b>1,03,887</b>	<b>1,05,551</b>
YoY Change (%)	13.0	13.4	7.9	11.6	-1.6	-5.3	5.1	6.9	11.4	1.6
Total Expenditure	20,433	23,336	23,188	27,853	19,251	23,019	23,799	29,678	94,809	95,746
<b>EBITDA</b>	<b>1,412</b>	<b>2,780</b>	<b>1,890</b>	<b>2,997</b>	<b>2,251</b>	<b>1,720</b>	<b>2,548</b>	<b>3,286</b>	<b>9,078</b>	<b>9,805</b>
YoY Change (%)	6.8	35.8	0.8	9.7	59.5	-38.1	34.8	9.6	13.8	8.0
Margins (%)	6.5	10.6	7.5	9.7	10.5	7.0	9.7	10.0	8.7	9.3
Depreciation	360	421	351	453	489	515	533	505	1,585	2,041
Interest	275	294	287	313	302	322	342	359	1,168	1,325
Other Income	841	598	315	769	656	854	627	658	2,522	2,795
<b>PBT before EO expense</b>	<b>1,617</b>	<b>2,663</b>	<b>1,568</b>	<b>3,000</b>	<b>2,117</b>	<b>1,738</b>	<b>2,300</b>	<b>3,080</b>	<b>8,847</b>	<b>9,235</b>
Extra-Ord expense							588			588
<b>PBT</b>	<b>1,617</b>	<b>2,663</b>	<b>1,568</b>	<b>3,000</b>	<b>2,117</b>	<b>1,738</b>	<b>2,888</b>	<b>3,080</b>	<b>8,847</b>	<b>9,822</b>
Tax	519	683	425	951	600	543	837	606	2,578	2,586
Rate (%)	32.1	25.6	27.1	31.7	28.4	31.2	29.0	19.7	29.1	26.3
MI & P/L of Asso. Cos.	4	0	5	-7	2	1	1	-4	2	
<b>Reported PAT</b>	<b>1,094</b>	<b>1,980</b>	<b>1,137</b>	<b>2,056</b>	<b>1,515</b>	<b>1,194</b>	<b>2,050</b>	<b>2,478</b>	<b>6,268</b>	<b>7,236</b>
<b>Adj PAT</b>	<b>1,094</b>	<b>1,980</b>	<b>1,137</b>	<b>2,056</b>	<b>1,515</b>	<b>1,194</b>	<b>1,633</b>	<b>2,462</b>	<b>6,268</b>	<b>6,804</b>
YoY Change (%)	17.4	24.9	-19.0	5.3	38.4	-39.7	43.6	19.8	6.7	15.5
Margins (%)	5.0	7.6	4.5	6.7	7.0	4.8	6.2	7.5	6.0	6.4

## Triveni Turbine

**Buy**
**CMP: INR460 | TP: INR615 (+34%)**
**EPS CHANGE (%): FY26|FY27|FY28: -|-|-**

- We expect revenue to grow 24% YoY, driven by the execution of the NTPC order on the domestic side and the execution of the export order book.
- Key monitorables include improvement in order inflows from both domestic and export markets.
- We expect EBITDA margins to contract ~100bp YoY, driven by revenue mix.
- Overall order inflow momentum across domestic, exports, and aftermarket/refurbishment will be the key areas to monitor.

### Consolidated - Quarterly Snapshot

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Net Sales</b>	<b>4,633</b>	<b>5,011</b>	<b>5,034</b>	<b>5,380</b>	<b>3,713</b>	<b>5,062</b>	<b>6,240</b>	<b>6,692</b>	<b>20,058</b>	<b>21,707</b>
YoY Change (%)	23.1	29.2	16.6	17.5	-19.9	1.0	24.0	24.4	21.3	8.2
Total Expenditure	3,677	3,897	3,941	4,176	2,977	3,916	4,899	5,259	15,691	17,051
<b>EBITDA</b>	<b>956</b>	<b>1,114</b>	<b>1,093</b>	<b>1,204</b>	<b>736</b>	<b>1,146</b>	<b>1,341</b>	<b>1,433</b>	<b>4,367</b>	<b>4,656</b>
YoY Change (%)	34.8	49.8	30.6	34.0	-23.0	2.9	22.7	19.0	37.0	6.6
Margins (%)	20.6	22.2	21.7	22.4	19.8	22.6	21.5	21.4	21.8	21.5
Depreciation	62	61	65	75	77	80	94	54	263	305
Interest	10	8	4	7	8	4	7	14	29	33
Other Income	194	196	221	199	222	184	195	295	810	896
<b>PBT before EO expense</b>	<b>1,078</b>	<b>1,241</b>	<b>1,245</b>	<b>1,321</b>	<b>873</b>	<b>1,246</b>	<b>1,435</b>	<b>1,661</b>	<b>4,885</b>	<b>5,215</b>
Extra-Ord expense	0	0	0	0	0	0	157	0	0	157
<b>PBT</b>	<b>1,078</b>	<b>1,241</b>	<b>1,245</b>	<b>1,321</b>	<b>873</b>	<b>1,246</b>	<b>1,278</b>	<b>1,661</b>	<b>4,885</b>	<b>5,058</b>
Tax	274	331	320	375	228	332	352	475	1,300	1,387
Rate (%)	25.4	26.7	25.7	28.4	26.1	26.6	27.5	28.6	26.6	27.4
MI & P/L of Asso. Cos.	0	0	1	0	-1	0	-9	10	1	0
<b>Reported PAT</b>	<b>804</b>	<b>910</b>	<b>926</b>	<b>946</b>	<b>644</b>	<b>914</b>	<b>917</b>	<b>1,195</b>	<b>3,586</b>	<b>3,670</b>
<b>Adj PAT</b>	<b>804</b>	<b>910</b>	<b>926</b>	<b>946</b>	<b>644</b>	<b>914</b>	<b>1,031</b>	<b>1,195</b>	<b>3,586</b>	<b>3,784</b>
YoY Change (%)	31.8	41.4	35.0	25.9	-19.9	0.4	11.3	26.3	33.3	5.5
Margins (%)	17.4	18.2	18.4	17.6	17.3	18.1	16.5	17.9	17.9	17.4

## Zen Technologies

**Neutral**
**CMP: INR1,368 | TP: INR1,400 (+2%)**
**EPS CHANGE (%): FY26|FY27|FY28: -|-|-**

- We expect execution to remain under pressure, declining 57% YoY mainly due to a decline in OB during FY26. Inflows rose in 2H but will reflect in revenue from FY27.
- Key monitorables include order inflows sustainability, execution ramp-up for equipment orders, export momentum, and working capital cycle.
- We expect EBITDA margin to expand 420bp YoY on the increased share of high-margin simulator business.
- Subsidiaries are expected to contribute ~INR1.8-2b in FY26 in consolidated revenues with PAT margins of 20-25%. We will watch out for the inflow status of subsidiaries.

### Standalone - Quarterly Earnings Model

Y/E March	FY25				FY26E				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Net Sales</b>	<b>2,540</b>	<b>2,417</b>	<b>1,415</b>	<b>2,935</b>	<b>1,111</b>	<b>1,247</b>	<b>1,162</b>	<b>1,275</b>	<b>9,307</b>	<b>4,794</b>
YoY Change (%)	91.7	277.4	44.3	116.3	(56.3)	(48.4)	(17.9)	(56.6)	116.3	(48.5)
Total Expenditure	1,508	1,623	1,048	1,991	730	829	636	811	6,169	3,006
<b>EBITDA</b>	<b>1,032</b>	<b>794</b>	<b>367</b>	<b>944</b>	<b>380</b>	<b>418</b>	<b>526</b>	<b>464</b>	<b>3,137</b>	<b>1,788</b>
YoY Change (%)	56.0	264.9	(17.0)	109.4	(63.1)	(47.4)	43.2	(50.9)	77.0	(43.0)
Margins (%)	40.6	32.9	26.0	32.2	34.3	33.5	45.3	36.4	33.7	37.3
Depreciation	22	23	26	29	31	33	36	30	101	130
Interest	10	21	27	36	14	4	10	6	94	34
Other Income	30	84	220	244	199	230	143	168	578	740
<b>PBT</b>	<b>1,030</b>	<b>835</b>	<b>534</b>	<b>1,122</b>	<b>535</b>	<b>610</b>	<b>624</b>	<b>596</b>	<b>3,520</b>	<b>2,365</b>
Tax	288	182	147	273	164	149	145	148	890	605
Rate (%)	28.0	21.8	27.6	24.3	30.6	24.4	23.3	24.8	25.3	25.6
<b>Reported PAT</b>	<b>742</b>	<b>652</b>	<b>386</b>	<b>849</b>	<b>371</b>	<b>462</b>	<b>478</b>	<b>448</b>	<b>2,630</b>	<b>1,759</b>
<b>Adj PAT</b>	<b>742</b>	<b>652</b>	<b>386</b>	<b>849</b>	<b>371</b>	<b>462</b>	<b>478</b>	<b>448</b>	<b>2,630</b>	<b>1,759</b>
YoY Change (%)	57.4	276.1	21.9	177.3	(50.0)	(29.2)	23.8	(47.2)	107.3	(33.1)
Margins (%)	29.2	27.0	27.3	28.9	33.4	37.0	41.2	35.2	28.3	36.7

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

## NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>. As per Regulatory requirements, Research Audit Report is uploaded on [www.motilaloswal.com](http://www.motilaloswal.com) > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

#### For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

#### For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

#### For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

#### Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies). MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.  
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.  
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.  
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.  
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
  - actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
  - received compensation/other benefits from the subject company in the past 12 months
  - any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
  - acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
  - be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
  - received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
  - Served subject company as its clients during twelve months preceding the date of distribution of the research report.
- The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report
- Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

**Analyst Certification**

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

**Terms & Conditions:**

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

**Disclaimer:**

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.