

## CUMMINS INDIA LTD.

Sector

May 11, 2026

Buy at CMP: Rs 5391 | Target: Rs 6070 (13%) | SL: Rs 5087

Automobile & Ancillaries

Cummins India is engaged in the business of manufacturing, trading and selling of engines and allied activities. A group of business units that design, manufacture, distribute and service, engines, generator sets and related technologies.

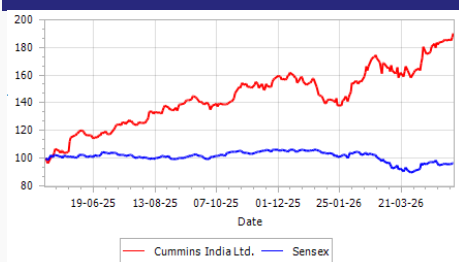
### Script Details

BSE Group	A
BSE Code	500480
NSE Code	CUMMINSIND
Bloomberg Code	KKC IN
Market Cap (INR Cr.)	1,49,820
Free Float (%)	49.0%
52wk Low/High	5424/2702
Beta (1yr Nifty 50)	0.96
Face Value (INR)/ D. Yield (%)	2/1
Total paid Up Shares (Mn.)	277.2

### Share Holding Pattern (%)

FII's	DII's	Public
45.0%	20.8%	34.2%

### Share Price Relative Performance



[Invest Now](#)

### Investment Rationale

- ◆ **Leadership in High-Growth Domestic Segments, Particularly Data Centers:** Cummins India is uniquely positioned to benefit from the rapid expansion of India's digital and physical infrastructure. A primary driver of this is the Data Center segment, which has become a significant contributor to the company's Power Generation business. The company serves both "hyperscalers" (large global tech firms) and co-location players with high-horsepower (HHP) nodes, typically 2,500 kVA and above. The company targets double-digit growth in the domestic market for FY 2027, supported by a positive budget outlook for infrastructure.
- ◆ **High-Margin Growth in the Distribution (Aftermarket) Business:** The Distribution business unit (DBU) represents a highly attractive, high-margin recurring revenue stream that is growing faster than the core product business. As Cummins sells more engines and gensets, its installed asset base on the ground increases, creating a larger captive market for maintenance and parts. This segment saw Y-o-Y growth of 21% and 26% in recent quarters. The shift to CPCB IV+ emission norms has introduced more technologically advanced products featuring electronics, sensors, and telematics.
- ◆ **Operational Excellence and Resilient Profitability:** Cummins India has demonstrated an ability to maintain and even expand its margins despite inflationary pressures and intense competition. In Q3 FY 2025-26, the company reported gross margins at historic highs (reaching nearly 38%). This was driven by a combination of a favorable product mix and a relentless focus on direct material cost reduction. Despite "extremely aggressive" pricing from domestic and foreign competitors, Cummins has largely been able to hold on to its pricing by focusing on segment-specific value propositions rather than competing on price alone.
- ◆ **Valuations:** We model a Revenue/PAT CAGR of 15%/16% and estimate CUMMINSIND to clock PAT of Rs 3340 Cr by FY28E. CUMMINSIND is trading at forward P/E(x) of 44.9x and we value at 50.5(x) FY28E and Recommend BUY on CUMMINSIND with TP Price of Rs. 6070 (13%).

Year	Revenue	EBITDA	PAT	PE Ratio (x)	EV/EBITDA (x)
FY23	8,294	1,375	1,384	108.3	108.8
FY24	9,098	1,901	1,829	81.9	78.8
FY25	10,982	2,230	2,141	70.0	67.1
FY26E	12,629	2,778	2,526	59.3	53.9
FY27E	14,524	3,195	2,905	51.6	46.8
FY28E	16,702	3,674	3,340	44.9	40.7

Source: Company Data, Ace Equity, GEPL Research

# TECHNICAL VIEW

## Observation

- CUMMINSIND has been in a prolonged upward trajectory since April 2025, consistently forming a higher top higher bottom structure, indicating a sustained bullish trend.
- The stock is well positioned above its key 12, 20, and 50 week EMAs, highlighting strong trend strength and positive alignment across higher timeframes.
- The momentum indicator, MACD, continues to remain in an upward streak, reinforcing sustained bullish momentum in the stock.
- Additionally, the stock has showcased strong relative strength compared to broader market volatility in the recent phase, reflecting continued buying interest and resilience.
- Given this robust alignment across multiple timeframes, the stock looks poised to advance toward an upside target of 6070, while a closing-basis stop loss at 5087 is advised to manage risk effectively.



## TradingView

Source: Tradingview.in, GEPL Research

## Inference & Expectations

- Considering these factors, it can be inferred that CUMMINSIND stock is set to continue up-trend.
- Going ahead we expect the prices to move higher till 6070 level.
- The stop loss must be at 5087 level, strictly on the closing basis.

Name	Designation	Email	Contact
Mr. Vidnyan Sawant	AVP – Technical Research	Vidnyan@geplcapital.com	+91 (22) 48934000

#### Terms & Conditions – For Investors

We, Research Analyst of GEPL Capital, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We, also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

#### Disclosure: -

This document has been prepared by Research Department of GEPL Capital Pvt. Ltd. (hereinafter referred to as GEPL Capital) and this report is for personal information of the selected recipient/s and does not constitute to be any investment, recommendation, prospectus, offering circular or legal or taxation advice to you. This research report does not constitute an offer, invitation or inducement to invest in securities or other investments and GEPL Capital is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your general information and should not be reproduced or redistributed to any other person in any form. This report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. GEPL Capital makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability or obligation with respect to, the fairness, accuracy, completeness or correctness of any information or update information or opinions contained herein. All investments including Future and Options are involving risks and investor should exercise prudence in making their investment decisions. The report should not be regarded by the recipients as a substitute for the exercise of their own judgment. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or GEPL Capital as a result of using different assumptions and criteria. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report. The information contained in this report has been obtained from sources that are considered to be reliable. However, GEPL Capital has not independently verified the accuracy or completeness of the same. Neither GEPL Capital nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein. GEPL Capital and its affiliates and/or their officers, directors and employees may have similar position in any securities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such securities (or investment. GEPL Capital specifically prohibits the redistribution of this material in whole or in part without the written permission of GEPL Capital and GEPL Capital accepts no liability whatsoever for the actions of third parties in this regard. GEPL Capital or its director or its research analysts or its associates or his relatives and/or its affiliates and/or employees do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report. Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

#### Disclaimers in respect of jurisdiction:

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such Distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject GEPL Capital its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently sent or has reached any individual the same may be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published for any purposes without prior written approval of GEPL Capital.

#### Analyst Certification:

The views expressed in this research report reflect the personal views of the analyst(s) about the subject securities or issues. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months.

**GEPL Capital Private Limited** is a SEBI registered Research Analyst entity bearing SEBI Reg. No. "INH000000081" under SEBI (Research Analysts) Regulations, 2014.

**Reg./Corp. Office:** D-21 Dhanraj Mahal, CSM Marg, Colaba, Mumbai 400 001 Contact No +91 22 66182400

**SEBI Reg. No.** NSE/NSEF&O/CD - INB230993934, INF230993934 & INE230993934. BSE/BSE F&O- INB010993934 & INF010993934,

For more information visit us at: [www.geplcapital.com](http://www.geplcapital.com)