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BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai 400001  BSE Scrip Code: <b>500480</b>	National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai 400 051  NSE Symbol: <b>CUMMINSIND</b>
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**Subject: Transcript of Q4 and FY 2024-25 Results Conference Call**

Dear Sir/ Madam,

Pursuant to Regulation 30 read with Para A of Schedule III and Regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with reference to our stock exchange intimation dated May 20, 2025, regarding Q4 and FY 2024-25 Results Conference Call, please find enclosed herewith transcript of the said call held on May 29, 2025.

Kindly take this intimation on your record.

Thanking you,

Yours faithfully,  
For Cummins India Limited

Vinaya A. Joshi  
Company Secretary & Compliance Officer  
Membership No.: A25096  
(This letter is digitally signed)

Encl.: As above.



**“Cummins India Limited  
Q4 FY2024-'25 Earnings Conference Call”  
May 29, 2025**



**MANAGEMENT: MS. SHVETA ARYA – MANAGING DIRECTOR –  
CUMMINS INDIA LIMITED  
MR. PRASAD KULKARNI – INTERIM CHIEF FINANCIAL  
OFFICER – CUMMINS INDIA LIMITED**



**Moderator:**

Good morning, ladies and gentlemen. Welcome to Cummins India Limited Q4 FY2024-'25 Earnings Conference Call. We hope you all are keeping safe and healthy. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the commentary concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Shveta Arya, Managing Director, Cummins India Limited. Thank you, and over to you, Ms. Arya.

**Shveta Arya:**

Thank you. Good morning, ladies and gentlemen. I hope you are all doing well and staying safe and healthy. I am Shveta Arya, Managing Director of Cummins India Limited. Joining me on the call today is Prasad Kulkarni, the Interim CFO of Cummins India Limited. Thank you, all of you for joining us today on this call.

I would now like to share the financial results for the year ended March 31, 2025 and for the quarter -- financial year '25, quarter 4. Starting with the year ended March 31, 2025, our sales at INR10,166 crores, are higher by 15% compared to INR8,816 crores recorded in the last year. Domestic sales at INR8,395 crores are higher by 18%, exports at INR1,771 crores are higher by 6%. Profit before tax at INR2,496 crores is higher by 16% compared to the last year.

Segment-wise sales breakup, domestic -- Powergen domestic sales at INR3,844 crores is higher by 14% compared to last year. Distribution business sales at INR2,687 crores is higher by 14% compared to last year. Industrial business domestic sales at INR1,668 crores is higher by 29% compared to last year.

From an export perspective, high horsepower exports at INR821 crores, higher by 1% compared to last year. Low-horsepower exports at INR784 crores, higher by 12% compared to last year. Now moving to the quarter ended March 31, 2025, comparing it to the quarter last year. Our sales for the quarter at INR2,414 crores are higher by 6% in comparison to INR2,269 crores recorded in the same quarter last year.

Domestic sales are at INR1,935 crores, higher by 1%. Exports at INR479 crores are higher by 39%. Profit before tax at INR681 crores is lower by 3% compared to the same quarter last year. For the quarter ended March 31, 2025, comparing it to the previous quarter, our sales at INR2,414 crores are lower by 21% compared to INR3,041 crores recorded in the last quarter.

Domestic sales at INR1,935 crores are lower by 25%. Exports at INR479 crores are higher by 3%. Profit before tax at INR681 crores is higher by 2% compared to the last quarter. Segment-wise breakup for the quarter ended March 31, 2025. For the domestic business, Powergen domestic sales were INR874 crores, 7% lower compared to same quarter last year and 31% lower compared to last quarter.

Distribution business sales at INR631 crores, 5% higher compared to same quarter last year and 15% lower compared to last quarter. Industrial domestic business sales at INR379 crores, 9%



higher compared to the same quarter last year and 26% lower compared to last quarter. Exports, high horsepower exports at INR218 crores are higher by 27% compared to same quarter last year and 8% higher compared to last quarter. Low horsepower exports at INR215 crores are higher by 51% compared to last year and flat as compared to last quarter.

Going forward, we anticipate double-digit revenue growth in financial year 2025, '26, while remaining cautiously optimistic, given the uncertainty from changes in global tax and trade policies, along with the geopolitical issues, which we continue to monitor very closely.

I now open the session for questions. Thank you.

**Moderator:** Thank you very much. We will now begin with the question and answer session. The first question is from the line of Parikshit Kandpal from HDFC Securities.

**Parikshit Kandpal:** So my first question is on Powergen. So there's a decline of 7% quarter -- sorry, Y-o-Y and 31% Q-on-Q. So if you can help us understand a little bit more in terms of granularity, whether towards the end of Q4, you saw a decline, especially in the March month, given there was uncertainty of the tariffs coming in on 2nd April. So was there any postponement or delays in decision-making that led to the severe decline in the numbers?

**Shveta Arya:** Thanks for the question, Parikshit. As you mentioned, decline of 7% in Powergen year-on-year. This is largely owing to the fact that the same quarter last year had pre-buy sales of CPCB II. So this is not with respect to just this year. Last year saw higher sales because of the pre-buy.

And from a quarter-on-quarter perspective, we usually see that the quarter which ends on December, there is good velocity of sales where lots of inventory moves in to the GOEM and then out into the market. Also, now we are seeing full CPCB IV plus sales in the market. So I think these are all the factors as we compare last year and last quarter sales in Powergen.

**Parikshit Kandpal:** Just to give you some more numbers on the volumes. So now in Q4, I mean, if I compare with CPCB II volumes and CPCB now in full this thing. So are the volumes back to 100% started growing? And any initial trend on that would be helpful?

**Shveta Arya:** The volumes in CPCB IV plus are not completely matching up to CPCB II. But every quarter, we are seeing increase in the volume trend. I think another quarter or 2 to see the volumes causing CPCB II numbers, not yet.

**Parikshit Kandpal:** But they be still tracking like around 85% to 90% or significantly lower? I mean early 80s or any sense, any color on that?

**Shveta Arya:** Yes. Close to 80% to 85% is what the tracking would be.

**Parikshit Kandpal:** Any color on pricing now? I mean given there has been some time now post implementation of the CPCB IV. So are you seeing any softness in pricing or still the prices are holding on versus the point at they were implemented. So any color on that?

**Shveta Arya:** Pricing is still settling down in the market, Parikshit. We have seen all competition products in the market now. We are still seeing pricing settle down. We do think that it will take another



quarter or 2 for the pricing to completely settle down. That being said, we have been largely able to hold on to our pricing in the market. But I would say that competitive intensity has increased and pricing will settle down in another three quarters.

**Parikshit Kandpal:** Okay. And just one last question. Was there any one-off in this quarter, both on the EBITDA line as well as on the top line. Any -- I mean, was there any impact of large data center orders or was that number missing in this quarter? So if you can help us understand that?

**Shveta Arya:** No one-offs like that, Parikshit.

**Parikshit Kandpal:** Okay. So no major order on the data center side this quarter, which could have helped maybe slightly better growth?

**Shveta Arya:** No. demand across sectors and all different segments have contributed to the growth. So I won't be able to call out 1 particular one-off segment.

**Moderator:** The next question is from the line of Mohit Pandey from Macquarie.

**Mohit Pandey:** My first question would be on gross margins. If you can give color on what has driven the strength? Is it largely linked to commodity in this -- in the fourth quarter?

**Shveta Arya:** So from a gross margin perspective, if you look at the whole year, we have done better as compared to last year. And what I would say is there's a lot of effort put in terms of our work on the direct material cost and bringing the cost of our products down. Also, as I mentioned, we are watching pricing carefully, and we have been able to hold on to pricing as well.

So it's a mix and product mix also plays a part in how finally our gross margin turns up. So all of those three have worked. Definitely a lot of work on our end to improve our direct material costs.

**Mohit Pandey:** Okay. So ma'am, the gross margins that we achieved this year. So you think in FY '26, they are more or less sustainable?

**Shveta Arya:** That is our endeavor, Mohit. We continuously work on cost-related efforts so that we can improve on these -- that is exactly the direction in which we are working.

**Mohit Pandey:** Understood, ma'am. And also, if you could share the breakup of domestic Powergen that you typically do across low, medium, heavy and high HP?

**Shveta Arya:** Yes, I will do that. For the financial year, '24-'25, breaking up the Powergen sales, low horsepower is at INR272 crores, medium range is at INR733 crores, heavy duty is at INR376 crores and high horsepower is at INR2,463 crores, leading to a total of INR3,844 crores for the year.

**Mohit Pandey:** Okay, ma'am. And 1 final question from my side with regards to data centers linked genset demand. Are you seeing any slowdown there? That would be my last question?



**Shveta Arya:** No, we are not seeing the slowdown there. We are actually seeing a lot of activity inquiries and orders coming in. So we are not seeing a slowdown in the data centers in the India market yet.

**Moderator:** The next question is from the line of Umesh Raut from Nomura India.

**Umesh Raut:** My first question is pertaining to a demand outlook for genset business as per the end user market. So in terms of residential and commercial reality where we are currently sitting at in terms of cycle and how exactly you are seeing demand shipping up from this particular major end of the market.

At the same time, how you are seeing emerging segments like data center from current base, how exactly growth would be? And on the export side as well, looking at the sequential recovery in last few quarters, how you are looking at sales stabilizing in export markets?

**Shveta Arya:** Thanks Umesh for the question, let me start answering them. Demand outlook for the genset going from here.

**Moderator:** Ma'am, I'm sorry to interrupt you. Umesh, I would request you to mute your line, please? Ma'am, please continue.

**Shveta Arya:** Yes. Thank you. Demand -- your first question around demand outlook for the genset market. So we are seeing demand and this demand is continuing from the segment, all the segments that we serve. So there is demand in residential realty, commercial reality infra-related segments in data centers. So we are seeing all the demand there in the Powergen market, there is no specific trend that I can call out.

We're seeing demand across segments. Some emerging segments, as you said, the emerging segments that we are seeing is actually quick commerce. So the likes of Zepto, Blinkit, when they are setting up their warehouses and fulfilling their needs. So we are seeing some order and inquiries coming from these kind of segments as well.

Otherwise, across the board, we are seeing demand. And in fact, Powergen business does see some seasonality during the summer months. And as we have seen in the past and every year, we are seeing that kind of inquiry generation and order generation. So that's from a demand outlook from a genset market perspective and the emerging segments.

You asked about exports going forward. So we have been putting in efforts to grow our exports across different markets. And we have been working with our teams to specifically position our products rightly in different markets. And because we serve various different markets around the world, our initiatives for each market are very different.

We started this journey some quarters ago, and we are on that journey. So from our effort perspective and the work that we are doing is showing results, there is definitely uncertainty in the global markets, as you will anticipate, because of the tariffs, the geopolitical situation and how the trade deals are being negotiated. Our efforts are definitely continuing in the direction of positioning our products rightly based on specific market requirements.



- Umesh Raut:** Got it. My second question is pertaining to competition, how you are seeing competition now in the data center market? And any color on market share that you have in data center? And do you also serve to export markets for data center in the market?
- Shveta Arya:** So data center market competition -- thanks for putting yourself on mute, Umesh. So from a data center market perspective, we do see competition, but we have been working in the data center market for a long period of time, and our product is very well accepted by the data center players. We also provide aftermarket support very specialized to the data center market.
- So we are seeing good acceptance of our product as we combine the product and aftermarket services together for the specific needs of data center segments. That being said, yes, we do see competition, but our product is very well accepted. I won't be able to comment on the market share. From an export perspective, we do provide components that get into the gensets that are sold in the data center market for sure.
- Umesh Raut:** Understood. My last question is on the bookkeeping side. If I look at Cummins Inc. number, I think they reported about 11% decline in Power Generation sales for India, while you have reported about 7% decline for the quarter. So what explains this particular difference?
- Shveta Arya:** Thanks, Umesh. The only difference is foreign exchange. We are reporting our numbers in INR and they are reporting their numbers in US dollars. There is no other reconciliation between those two. It's only a dollar versus INR change.
- Moderator:** We'll take the next question from the line of Mohit Kumar from ICICI Securities.
- Mohit Kumar:** My question is on the employee expense. The employee expense was lower this quarter compared to last -- compared to previous quarter and prior year. Is there any one-off in that?
- Shveta Arya:** Thanks for the question, Mohit. From a quarter-to-quarter perspective, yes, there is some actuarial benefit impact that is there from a quarter perspective. There is also some reclassification done for better representing the results. So there is that in the quarter-on-quarter numbers.
- But if you compare year-on-year numbers from an employee cost perspective, the biggest thing over there is the efficiency improvement that we have been able to do and the leverage benefit because of the volumes that we're getting. So that stays from an overall year number perspective.
- Also, quarter-on-quarter last quarter had the true-up of our variable pay that we did onetime, which is not there this year. So yes, those are comparisons between quarter-on-quarter and year-on-year.
- Mohit Kumar:** I mean is it possible to quantify that number?
- Shveta Arya:** We won't be able to quantify that number. Sorry, Mohit.
- Mohit Kumar:** My second question on the guidance, I think you gave double-digit guidance. My only -- my question is that is it between 10% to 15% or 15% to 20%? Can you give us some color?



- Shveta Arya:** Mohit, I will have to say that we are maintaining double-digit guidance. While we see demand in the local market, you will appreciate that there are uncertainties in the global markets and the impact of tariffs is not completely baked in yet. So it will be very difficult to give you a very specific answer on that. Double digit is the guidance that I can give right now.
- Moderator:** We'll take the next question from the line of Jason Soans from IDBI Capital.
- Jason Soans:** My question was actually -- just wanted to discuss what specific and measurable steps we are taking to basically keep the competition at bay? I understand basically in a mainstay segment of HHP, considering how lucrative it is. So I understand that every step cannot be disclosed, but I'm just saying, just if you could provide some color on how we are keeping the competition at bay and what steps have we been towards the same?
- Shveta Arya:** So from a -- what we are doing to make sure that our products are better accepted by the customer. So there are a few things that we are doing. Very specifically, one of the things we are working on for Powergen segment is looking at segment and providing a full-fledged solution for the segment tailored to the segment.
- So what do they need from a product perspective? What value add do they need in the product? What aftermarket support we provide and how we provide? All of that tied in together is tailored to the segment. And we do a lot of data and analysis from that perspective. So that is one of the things that we do.
- We also continuously keep looking at the product and getting field data to ensure that product improvement are happening continuously from a quality perspective, from a cost perspective, and that is across segments. You rightly pointed out high horsepower, but that work happens across segments.
- And we keep in touch with our customers to hear their voices continuously, on what they would need from a value-add perspective and how they are changing their buying behaviors to align with them. Those are the very specific things that we do.
- Jason Soans:** Okay. My next question was in terms of capex, in FY '25, we have basically invested around INR230 crores. So I just wanted to know in FY '26, how much capex are we looking at? And what areas are we looking to augment?
- Shveta Arya:** Yes, Jason, if you could go on mute and I'll then answer you. So from a capex perspective, we will continue in the coming financial year in the same range. And this is largely sustenance capex. We will continue to look at our lines and upgrading them as per the requirement. So this is what our capex will go towards. It will continue almost in the same range as you saw in the current financial year.
- Jason Soans:** Okay. And just my last question would want to -- would just want to know if you can share revenue and PAT numbers for Cummins Generator as well as Valvoline Cummins? And if any outlook for both groups, for the associate and the JV?
- Shveta Arya:** Yes. I'll just let Prasad answer that question.





- Prasad Kulkarni:** The revenue for Cummins Generator Technologies was somewhere around INR1,980 crores. And the same for Valvoline Cummins was somewhere around INR2,350 crores for the full year.
- Jason Soans:** And PAT?
- Prasad Kulkarni:** We don't share those specific numbers, Jason.
- Moderator:** The next question is from the line of Renu Baid Pugalia from IIFL Capital Services.
- Renu Baid Pugalia:** Congratulations for the strong performance. My first question is, last quarter, we had seen the transition in the Industrial segment for CEV BS V range of products. So if you can share market inputs in terms of how was the product acceptance? Any potential share gain or loss with respect to OEMs and the pricing impact will be second? That's the first question?
- Shveta Arya:** Renu, our presence in that segment is very limited. What we have seen is there is acceptance of the product, but our presence is very limited. And as compared to the remaining segments, it's a small portion of our overall sales.
- Renu Baid Pugalia:** Any color on the pricing impact of our solutions in this segment?
- Shveta Arya:** Nothing specific and no specific trend that we've observed, Renu, just as any other emission change, pricing takes a while to settle down in every segment, and that's what's happening there. So there's no specific trend or no specific information that I can share at this stage.
- Renu Baid Pugalia:** Sure. Secondly, if you can also share some inputs in terms of how has been the subsegment performance within the industrial bucket? And on an annualized basis, how did the revenue stack up across construction, marine, mining, railways, compressors, the categories that you operate?
- Shveta Arya:** Sure. So from a breakup for the industrial business unit quarter, I'm talking only about the quarter 4. Construction segment, we had INR168 crores of sales, rail INR114 crores, mining INR14 crores, compressor INR50 crores and then the others. And from a full year number perspective, we have construction segment at INR624 crores, rail at INR471 crores, mining at INR131 crores, compressor segment at INR203 crores and then there are others. So I hope that helps with the breakup.
- Renu Baid Pugalia:** Sure. And the outlook across some of these segments, including new product introductions...
- Shveta Arya:** Yes. So from a rail market perspective, we do have orders across the power car and diesel electric tower car and the order velocity has been sustaining. So we have -- we've maintained a positive outlook on rail. Construction segment is continuing at a stable growth that we have been seeing in the last few quarters.
- Compressor business is actually a cyclical business. And from our understanding perspective, we should see a dip coming in, in the compressor segment, which we have not cited yet, but we anticipate based on the last few years of our analysis, the compressor segment to get into the cyclical phase.



Mining, we were anticipating mining order board to start building up, what we are seeing is a shift, and we have been seeing this for the last few quarters, more shift towards private miners and Coal India tenders are getting shifted out. The tenders, which were supposed to be released in these quarters have not been released.

So our anticipation was better outlook for mining when we started the calendar year, but it's not turning out to be like that. We are watchful and we are working with the private miners, but the Coal India tenders are not coming in as we anticipated. So I hope that gives you a color around mining, construction and rail, which is the larger segment.

**Renu Baid Pugalia:**

And just a follow-up on this. On Vande Bharat and related new products for the rail market, by when do we expect commercial orders to kick in, in this segment of the market?

**Shveta Arya:**

Yes. So we are done with field trials of one of the products that we had launched a while ago, which was called the hotel load converter. And we are just on the anvil of getting regular orders for that product as you can probably appreciate that some of these require extended field trials for more than a year or so.

So we are anticipating orders for the hotel load converter. We are now getting into the production book for another application of the railways, which is called the accident relief train. And this will take a few years for the production and the trials to happen. And after that, we will start seeing regular orders, so work ongoing.

**Moderator:**

The next question is from the line of Amit Anwani from PL Capital.

**Amit Anwani:**

My first question is on export. Despite this quarter was quite strong relatively. And you have been talking about the cautious stance on export. So wanted to have more color, which geographies -- geography-wise, if you could highlight which geographies, we are expecting decline or improve over the next 12 to 15 months? And any color on contribution of geographies in export this year?

**Shveta Arya:**

Yes. Thanks for the question, Amit. So from an exports perspective, for this year, the year went by, I can share with you that Latin America and Europe did really well for us, have continuously been doing well for us. We provide our products around the world. And it is difficult to say that in the next financial year, which particular geography will continue to grow for us.

We have seen definitely that Europe and Latin America have consistently been growing in the past, every quarter for us. Will that continue in the future is a difficult question to answer. Like I said, there is uncertainty in the global environment, the different trade deals and now the tariff impact in the U.S. are still being worked out. Geopolitical situation is still not absolutely normal.

And our efforts to position the right products continue for every market at this point in time. Very difficult to tell you which segments we anticipate growth from.

**Amit Anwani:**

Right. Second question, again on the margins. So we did a great job with respect to the -- as I said, a lot of efforts went into -- with respect to value-add products and the contributions and the gross margin has been improving from past 2, 3 years. I wanted to understand, is there a further



scope of improvement and can these margins sustain at current level since you are focusing on more value-added products? Some color on directionally what we are looking for next 2 years?

**Shveta Arya:**

So Amit, we have been working, as I mentioned, on cost reduction efforts of our products and providing value-add to the customers. That endeavor continues, and that is what is exactly where we can put in our efforts. Other things that impact our gross margin are the product mix and how the pricing plays out in the market.

So we continue to watch that. Our endeavor is definitely to sustain or better these margins and our cost optimization efforts are ongoing. That's the best I can share at this point in time.

**Amit Anwani:**

And what's the current capacity utilization?

**Shveta Arya:**

Between -- current capacity utilization would be very close to 65%.

**Moderator:**

The next question is from the line of Sumanta Khan from Edelweiss Mutual Fund.

**Sumanta Khan:**

Thanks a lot for the opportunity. No, I understand that the pricing on the CPCB IV gensets could stabilize, probably it would need another quarter or two. But don't you think it's a quite a good outcome that you've still been able to hold on to the pricing? And I think it's been almost 6 months that we are only selling CPCB IV now?

**Shveta Arya:**

Yes, Sumanta, I can -- I mean that's what our endeavor is. Definitely, it will take another quarter or two to settle down and we are watchful. And like I mentioned earlier, our focus is to go segment-wise in Powergen and provide the right product, the right services segment wise. So we do not look at pricing across the board in one particular way.

We go and do deeper analysis segment by segment on what the segment needs, what their buying behavior is, what are the value-adds they needs, and that's how we define our pricing. And that is probably one reason why we've been able to hold on and provide the right value to the customer for which they are ready to pay those kind of prices, right? So it is a very, very nuanced strategy that we are following.

**Sumanta Khan:**

My second question is on the exports. Now as I understand, correct me if I'm wrong, there are certain lower emission norm products, I think CPCB II and probably below. You are one of the few manufacturing units in Cummins Global who still manufacture them. So my question is that are you seeing demand? When you say LATAM is doing well, is it this segment which is helping you and the fact that probably you are one of the few entities which continue to manufacture these products?

**Shveta Arya:**

That is right. There is -- we continue to be in the place from which we provide these products. Also, I did share that it is our efforts to position ourselves rightly in those markets. If you look at Europe, Europe by itself is many markets. So Italy behaves differently from France, from differently to another country.

So we have gone down into those kind of details, done an assessment of how we place our products, at what price point, what is competition doing, what are the products they need? So



we've done a lot of that effort as well. Similarly, for Latin America, every market behaves differently, Chile would behave differently from Peru to Colombia.

So there are market-based efforts. And yes, you are right, there are these non-emissionized products and the other ones supplying those in these markets.

**Moderator:** The next question is from the line of Uttam Kumar from Avendus Spark.

**Uttam Kumar:** The first question is with regards to some clarity on the employee cost. I mean, 2 things you had highlighted in your initial remarks. One was on the reclassification, which was done and the other one was on the variable pay component. Could you just give more color? Is it reclassification from the employee to the other cost line item where we are seeing almost a 40% increase on a Y-o-Y basis.

And the other one is with regards to the variable pay, which you stated. Just want to understand, is it in the base here which you're talking about, which is in FY '24? That is the first question?

**Shveta Arya:** Uttam, so reclassification, just like you said, it is a reclassification between employee cost and other expenses. So you're right. And from a variable pay perspective, in quarter 3 of financial year, the last financial year, we had this impact of the overall variable pay true-up, which is not there in the quarter 4 of this financial year. So that is the difference.

**Uttam Kumar:** Okay. This 3Q number you're talking is FY '24. Am I right?

**Shveta Arya:** Sorry, I didn't get that question, Uttam.

**Uttam Kumar:** This is variable pay component of 3Q, which you said, which is on the FY '24?

**Shveta Arya:** FY '25.

**Uttam Kumar:** FY '25. Okay. Got it. And the next question is with regards to the Powergen. Again, harping on the pricing trends. So I just want to understand, I mean, you had already cited that your pricing actions are more segment related, you go into specific products and then take a call on that.

But on a blended basis, if I have to talk about FY '25 on the CPCB IV related products, what is the -- any color on what is the percentage of price increases, which you would have taken or any corrections which you have taken in the last year?

**Shveta Arya:** I'm sorry, your voice wasn't clear. So I'm going to ask you if this is what you asked. Did you ask that in the last year, did we take a pricing increase? Is that what you asked me?

**Uttam Kumar:** Any price increase in the Powergen segments? If so, to what -- or what quantum was the price increase for us in FY '25?

**Shveta Arya:** No price increase. We've just held on to our pricing that we had introduced -- when we had introduced CPCB IV plus product, largely.

**Moderator:** The next question is from the line of Subramaniam Yadav from SBI Life Insurance.



- Subramaniam Yadav:** You have mentioned a double-digit growth for next year. If you could give some color on whether what is driving it, whether domestic and specifically with the power, in which segment you would be driving the double-digit growth?
- Shveta Arya:** Yes. From a growth outlook perspective, we are expecting Power Generation segment to grow across the board in the different low horsepower, medium horsepower segment. Our distribution business continues to grow. And from an industrial business perspective, there are certain segments like railways and construction segment holding on to its growth.
- So we are definitely looking at demand in the domestic market across Powergen industry and Distribution business, and we anticipate double-digit growth. From an export perspective, it's a little uncertain at this point in time. We do -- while we -- our endeavor is to get that kind of growth in exports, but the tariff impact not being fully evaluated is still uncertain. So we are more certain about the domestic demand at this point in time than expected.
- Subramaniam Yadav:** Okay. Ma'am, but the Powergen base has been very high for last year, and we have seen that impact in this quarter also. Still, we believe that this segment will be growing about 10-odd percent next year?
- Shveta Arya:** Powergen continues to grow in the country at that pace, Subramaniam. So there's nothing different that we are seeing this year. I'm sorry if I didn't get your question, if you can repeat it once more?
- Subramaniam Yadav:** No, ma'am because in this quarter, you mentioned that there were pre-buying in Q4 last year, right, which has impacted our domestic number. So already rebate for FY '25 is higher. So I'm expecting whether the similar base effect will impact our Powergen in FY '26?
- Shveta Arya:** No, no, no. No. Actually, I mentioned in one of the answers earlier that CPCB IV volumes are still not all the way up to what we had seen in CPCB II volumes. So I don't think there's a base effect. In fact, we anticipate the volumes to grow.
- Subramaniam Yadav:** Okay. And then if you can highlight any project revenue in this quarter and for full year also?
- Shveta Arya:** There's nothing specific to note there, Subramaniam. It continues -- it comes in certain quarters. It doesn't come. It's based on project execution. But overall, from a year perspective, there's nothing specific to share from the projects business perspective.
- Subramaniam Yadav:** And lastly, ma'am, if you can -- how do we read into this LHP in export because that has been growing in last quarter and this quarter. How does that impact our margin? Is the margin in LHP is also very high in the export market?
- Shveta Arya:** It's a blend. So I won't be able to exactly say, Subramaniam, but it's a blend. And since we saw the entire world, and these are priced differently in different markets. So it won't be easy to say that.
- Moderator:** The next question is from the line of Shrinidhi Karlekar from HSBC.



- Shrinidhi Karlekar:** My first question is related to a slowdown in the growth rate for the distribution segment. It used to grow at quite significantly higher number compared to 5% that we reported. Would it be possible to throw some light on this?
- Shveta Arya:** You're looking at the quarter-on-quarter number, if you look at the whole year number, the distribution business has grown 14%. Quarter-on-quarter, there are different things that can happen, Shrinidhi. So the December quarter does tend to be a very high-volume quarter for the distribution business for various reasons.
- So I would suggest you look at the year-on-year number and the distribution business continues to grow at a very healthy rate, 14% full year growth as compared to the last year.
- Shrinidhi Karlekar:** Is it this quarter also Y-o-Y is 5%. Did I note it down correctly? Y-o-Y growth in this quarter?
- Shveta Arya:** Yes, you are right as compared to the last year, yes, so don't read...
- Shrinidhi Karlekar:** So this number, ma'am, I was wondering like we were even adjusted for seasonality because I'm considering Y-o-Y number...
- Shveta Arya:** Yes, we're talking about the Y-o-Y number. I understand that. There can be shifting of demand between quarters. There are large rebuild orders sometimes that we get, which get executed in one quarter versus the other, and they can switch the revenues. So there's nothing from an overall market or demand perspective I would request you to read into this. This is really based on some large order executions.
- Shrinidhi Karlekar:** Understood. That is very clear. And my second question is related to U.K. end market. As we understand, it is one of the large end markets for Cummins India, wondering does this whole free trade agreement between U.K. and India, does that help or it doesn't help much?
- Shveta Arya:** Shrinidhi, I would call out and say Europe -- overall, Europe is a large market for us. It is not specific U.K. So does the trade agreement impact us as much? It's not such a huge contributor to the overall Europe. Mainland Europe contributes more to our revenues.
- Moderator:** The next question is from the line of Aditya Mongia from Kotak Securities.
- Aditya Mongia:** I'll go ahead with my question. The first one, you talked about the current run rate in Powergen being 80%, 85% of the usual number. Could you give us a sense of what has been the full year number in this context? And I'm assuming this is only applicable to the CPCB IV portion of Powergen. Could you also give us that number for the full year?
- Shveta Arya:** I won't be able to give you that number. That was my estimate that around 85% of CPCB II volumes and CPCB IV+ has reached. But given that the market is comprised of both CPCB II and CPCB IV+ plus, I won't be able to give you that exact number, Aditya.
- Aditya Mongia:** But suffice to say, this should help you grow your Powergen portfolio well into next year, right?
- Shveta Arya:** Absolutely.



**Aditya Mongia:**

Because we would want to assume that in the first half itself, the normalization is complete and maybe some growth incrementally, sure. The second part of my question was there has been some chatter of return scrappage policy for 15 years or plus kind of gen sets. Could you comment any views on the same and whether that can happen in this year some time and the benefit?

**Shveta Arya:**

So return of scrappage policy as a policy document has existed for a few years. Different states need to implement this. There are certain states which have actually put this into effect. You will probably understand that unlike the automotive segment, there is no registration of gensets centrally happening anywhere.

So in order -- while the policy might exist, in order to implement that policy, that is where different states struggle. As of now, all states have not implemented the scrappage policy, some have. But even there, the implementation is not exactly the way it could be. So I would say the policy has existed, and we continue to advocate for those scrappage policies to be implemented. It has not happened yet.

**Aditya Mongia:**

Sure. That helps. The last part would be on distribution. It would be useful -- as it's become a large segment for us in terms of contribution, if you could, in some ways, help us kind of understand the breakup of the same and the key drivers inside would help us then think through growth in a slightly better manner. So any color on the same?

**Shveta Arya:**

Distribution business serves our Generation segment and Industrial segment. And in the Industrial segment, these are long-term contracts with our customers. In Powergen as well, there are contracts that we enter into with our customers, also provide services like extended warranty.

There has been a lot of effort we have been putting on penetration in the Powergen market, that has yielded results. There are a lot of rebuild engine orders that come to us from the industrial market, also from Powergen, but largely from the industrial market. Those are the specific things that are helping us.

Along with that, the distribution business focuses on new product launches, which are value add to the customer. So how can the retrofit emission control devices, the dual fuel kits, the Cummins retrofit devices, all of these are efforts that the distribution business made. These other things that have contributed to the growth in the distribution business segment.

**Aditya Mongia:**

So just on this point why I asked this question to you is that obviously, your predecessor used to talk about -- Ashwath used to talk about a 5-year runway to growth. Is that something that you kind of see happening from here on or should one be having a lower time frame of growth and then reassess? Just trying to get a sense of the penetration gains, whether that can hold this segment in good share over a long term?

**Shveta Arya:**

If you're asking me very specifically the question on distribution business and its growth outlook, so we are very positive on the growth outlook and it will also grow at double-digit or better, and that is the growth path we have seen. We have seen the business grow across all these segments that I spoke about and the efforts are yielding results. So we are positive about the distribution business.



**Moderator:**

The next question is from the line of Saurabh from Oaklane Capital.

**Saurabh:**

The first is, we all know that data center demand is pretty strong. So what I want to understand is, are we constrained by capacity in terms of servicing this demand? And so what are your thoughts there? And second, last year, we said that we categorically want to increase our market share in MHP and LHP. And you said that you have kept your prices firm and competition is pretty high. So have we been able to gain share in that product?

**Shveta Arya:**

I'll answer your data center question first. Are we capacity constrained, no? We are not capacity constrained. We have capacity. Our product is very well accepted in the market. So we are well positioned to cater to the needs of the data center segment. And as far as growth in the LHP and MHP, our endeavor is to grow across segments, not just LHP and MHP.

There are different efforts that go in growing in LHP, MHP and HHP. But we've gone even beyond that to get into customer segments and define what our growth and strategies are for different customer segments. So we are looking at growth across these segments, if I were to put it across.

**Saurabh:**

But what about that specific comment like which was made in last few calls that we've also increased our share in LHP and MHP? So how should we read that?

**Shveta Arya:**

No, I don't think we have ever made a specific comment of such. We definitely want to grow in the low horsepower segment. But that goes without saying that we also have aspirations to grow in the MHP and HHP segment.

**Moderator:**

The next question is from the line of Amit Mahavar from UBS.

**Amit Mahavar:**

Shveta, congratulations on great fiscal '25, especially in managing the competition very well. Ma'am, FY '26, because in FY '25, we enjoyed a lot of benefits, we had pre-buy, a very strong high kVA growth, like a lot of cost adjustment that we could manage to counter the price impact of new nodes that competition is launching. Distribution grew 14%-plus. We had data center, which did very well. A, FY '25, what is the market share that we have of CPCB IV+ for the full year for Cummins?

And second question is, how do you see these levers changing in '26? Can the industry TAM, right, which is growing in maybe double digit for you, can the EBITDA -- industry EBITDA will grow in double digits? These are the two questions, ma'am?

**Shveta Arya:**

I wouldn't be able to comment on the CPCB IV+ market share. But from an outlook of the market perspective, if we are specifically talking Powergen because that's what you mentioned, for now, we do see demand of it across segments coming in. Some of this demand will be fulfilled in this quarter, some in the next quarter.

So we have not cited any trend as of now, which would worry us. So we are seeing demand. That's the best I can share with you today. There is decent inquiries and decent orders being generated across segments and we have not cited any particular signs which would worry us.





- Moderator:** The next question is from the line of Ashish from MLP.
- Ashish:** For the Distribution business, now with the new CPCB engines coming with a higher warranty, should we expect the growth in the distribution business to moderate or that would not really matter?
- Shveta Arya:** So Ashish, with the CPCB IV plus coming in, the warranty period is still the same. What we offer is extended warranty, which we have packaged in a product called Ashwasan, which the customer has the choice to buy. We actually anticipate our penetration to grow because we have -- few quarters ago, we had launched the Ashwasan product, and now it is available for even the CPCB IV+ range. So we actually anticipate our penetration to get better.
- Ashish:** Understood. And how do we classify this? This is a part of genset or this income comes as distribution?
- Shveta Arya:** Distribution, this comes as distribution.
- Ashish:** Understood. And just one last question on pricing. How should we think about pricing settling down over the next couple of quarters? Like any range? Are we talking about 2% to 5% decline or more than that? Any rough idea could be very helpful.
- Shveta Arya:** I won't be able to give you that kind of an assessment, Ashish. We are analyzing the market, and we don't have that kind of number specific that I can give you.
- Ashish:** Okay. And in our guidance, when we give double digit, we would have some idea of how much is the pricing impact and how much volume we are expecting to grow. So anything around that would be very helpful.
- Shveta Arya:** That's our endeavor, Ashish, and it is across the kind of penetration we want in the distribution business, the tenders that we anticipate winning in the Industrial business segment and in the Powergen segment across LHP, MHP, HHP. So yes, there is some amount of anticipation across the board on product mix, on pricing built in there. How it plays out is very difficult to share at this point in time or predict.
- Moderator:** Ladies and gentlemen, we'll take that as the last question for today. I now hand the conference again over to Ms. Shveta Arya for closing comments. Thank you and over to you, ma'am.
- Shveta Arya:** Thank you. Thank you so much, everyone, for your active participation and engagement during the call today. Cummins India maintains a stable economic outlook as Indian market continues to be resilient. India's GDP is projected to grow by 6.5% in financial year '26. Although some uncertainties remain regarding changes in global trade policies, Indian reforms are focused on deepening economic cooperation and prioritizing infrastructure development. Backed by a strong balance sheet, world-class manufacturing infrastructure and top-tier talent, the company's growth trajectory remains strong.
- With this, I close this call. Thank you so much, everyone.



*Cummins India Limited*  
*May 29, 2025*

**Moderator:**

Thank you members of the management. On behalf of Cummins Limited and the leadership team, we would like to thank you for joining us today and making it engaging session. We are ending the conference now and you may disconnect your lines. Thank you.