

Capital Goods

Jan-Mar'24 Earnings Preview

April 12, 2024

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
ABB India*	Acc	6,645	5,331
Apar Industries	Acc	7,153	6,564
Bharat Electronics	HOLD	229	182
BEML	BUY	3,465	3,345
BHEL	UR	263	NA
Carborundum Universal	BUY	1,273	1,347
Engineers India	HOLD	223	257
GE T&D India	UR	930	NA
Grindwell Norton	Acc	2,075	2,512
Harsha Engineers Int.	Acc	412	441
Hindustan Aeronautics	HOLD	3,565	2,787
KEC International	HOLD	765	686
Cummins India	HOLD	3,001	2,480
Kalpataru Projects Int.	BUY	1,194	1,025
Larsen & Toubro	BUY	3,753	4,071
Praj Industries	BUY	520	636
Siemens#	Acc	5,570	4,617
Thermax	UR	4,550	NA
Triveni Turbine	BUY	555	532
Voltamp Transformers	UR	10,000	NA

Source: PL

* Y/e Dec / # Y/e Sep

UR = Under Review Acc=Accumulate

Top Picks

Larsen & Toubro
Triveni Turbine
Praj Industries
Grindwell Norton
Carborundum Universal
Amit Anwani

amitanwani@plindia.com | 91-22-66322250

Shirom Kapur

shiromkapur@plindia.com | 91-22-66322344

Healthy inflows & strong execution to drive Q4

We expect our capital goods coverage universe to report healthy performance in Q4FY24 owing to 1) execution of robust opening order books, 2) continued traction in domestic market, and 3) strong demand in key export markets such as Middle East, Africa, Latin America, and Asia Pacific. Overall, we expect Revenue/EBITDA growth of ~15.4%/12.3% YoY (14.4%/10.5% YoY ex-L&T). European market outlook, order & enquiry pipeline, and Chinese competition will be key monitorables. Our top picks are L&T, Triveni Turbine, Praj Industries, Grindwell Norton and Carborundum Universal.

Order inflows (OI) likely to be strong in Q4FY24, owing to substantial order wins announced by companies like BEL, BHEL, HAL, L&T, KEC, and KPIL across segments such as Defence, T&D, Thermal Power, Hydrocarbon, Buildings & Factories, etc. During the quarter, L&T's announced OI stands in range of Rs344-584bn, while EPC companies KEC/Kalpataru announced OI worth Rs45bn/Rs66bn respectively. Kalpataru's LoI from Saudi Aramco for the MGS-3 project could worth another Rs50-70bn. BEL announced healthy OI worth ~Rs61bn, while HAL announced new manufacturing contracts worth ~Rs147bn. Some ordering activity was brought forward due to elections. The long-term outlook remains strong across T&D, Power, Railways, Data Centers, Defence etc., especially domestically.

Product/consumables companies' revenue to grow by 17.7% YoY, led by strong growth in the domestic market. EBITDA margins for most product companies are likely to improve owing to favourable commodity costs and increased execution. Within product companies, we expect Consumables to report ~3.4% YoY growth, (CUMI 1.1% YoY & GWN 7.5% YoY) factoring in healthy industrial demand offset by lower realizations due to Chinese dumping of Ceramics and Electrominerals.

EPC companies' revenue to grow ~14.7% YoY led by healthy execution of robust opening order books, with EBITDA margins likely to expand on the back of higher execution rates and better mix.

Exhibit 2: 3QFY24E YoY growth (%)

Companies	Sales		EBITDA		PAT	
	Rs mn	YoY gr.	Rs mn	YoY gr.	Rs mn	YoY gr.
ABB	29,999	24.4%	4,045	41.8%	3,373	37.6%
Apar Industries	44,445	8.7%	4,183	-1.3%	2,155	-11.2%
BEML	19,007	36.9%	4,108	43.2%	2,825	79.1%
Bharat Electronics	84,252	30.5%	18,849	3.3%	13,767	0.8%
BHEL	1,03,964	26.4%	13,382	35.7%	8,514	42.3%
Carborundum Universal	12,133	1.1%	1,942	2.1%	1,028	-12.9%
Cummins	22,904	18.9%	4,551	39.6%	3,869	21.5%
Engineers India	10,350	17.6%	848	-49.2%	780	-59.0%
GE T&D India	8,629	22.7%	1,162	316.3%	764	-736.7%
Grindwell Norton	7,146	7.5%	1,408	8.9%	1,017	2.5%
Harsha Engineers	3,434	-0.1%	420	-17.3%	207	-36.6%
Hindustan Aeronautics	1,41,977	13.6%	34,037	4.9%	22,668	0.4%
Kalpataru Power	53,013	20.6%	4,364	40.3%	2,085	81.8%
KEC International	56,978	3.1%	4,278	50.9%	1,648	128.3%
Larsen & Toubro	6,60,978	13.3%	74,366	8.8%	39,794	-0.2%
Praj Industries	10,403	3.6%	1,189	13.8%	931	5.7%
Siemens	55,995	15.3%	7,261	16.9%	5,985	26.9%
Thermax	26,685	15.5%	2,379	19.0%	1,791	14.7%
Triveni Turbine	4,873	31.8%	958	44.3%	730	31.4%
Voltamp Transformers	5,348	21.6%	1,116	20.3%	836	9.2%

Source: Company, PL

Top Picks

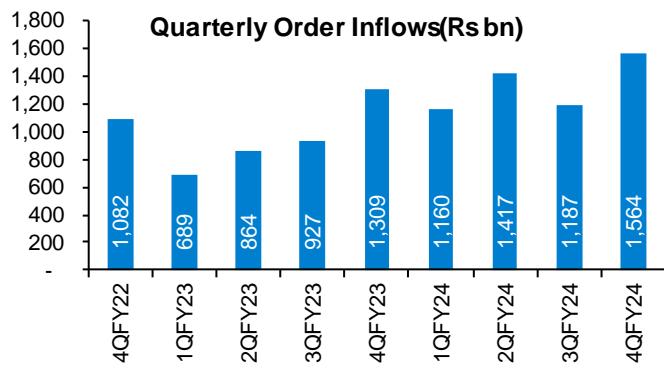
L&T: We believe L&T is well-placed to benefit in long run with 1) strong tender prospects, 2) significant traction in hydrocarbon, 3) renewable energy orders from international markets like Saudi Arabia, and 4) expected uptick in domestic private capex. We expect L&T to report Revenue/Adj. PAT CAGR of 14.9%/24.7% over FY23-26E. We have 'Buy' rating on the stock with a TP of Rs4,071.

Triveni Turbine: We believe TRIV's prospects continue to remain strong due to 1) healthy enquiry pipeline (up 14% YoY in 9MFY24) across markets, 2) growing share of higher margin exports & aftermarket sales, 3) strong traction in both industrial & API drive turbines, and 4) robust order book with strong inflows across businesses. We expect Triveni to report Revenue/Adj. PAT CAGR of 30.0%/35.1% over FY23-26E. We have a 'Buy' rating on the stock with a TP of Rs532, valuing it at a PE of 35x Dec-25E.

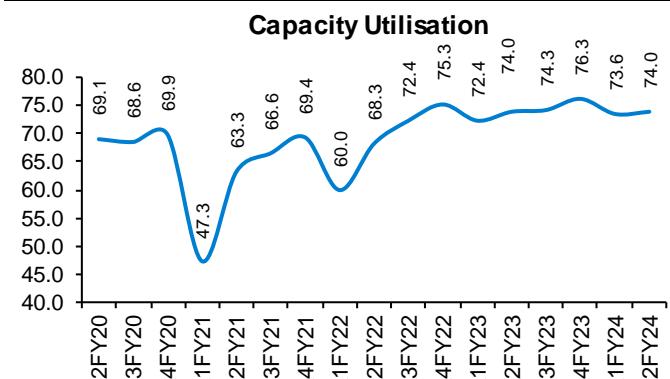
Praj Industries: We remain positive on PRJ in long run given 1) its leadership in domestic ethanol (~50-55% market share), 2) large domestic CBG pipeline, 3) focus on newer technologies like 2G ethanol, bio-manufacturing, SAF, multi feedstock plants, etc. 4) healthy export outlook in Engineering driven by ETCA, and 5) improving margins owing to growing share of services & exports. We expect Praj to report Revenue/Adj. PAT CAGR of 13.2%/22.4% over FY23-26E. We have a 'Buy' rating on the stock with a TP of Rs636, valuing it at a PE of 28x Dec-25E.

Grindwell Norton: We believe GWN will likely see long-term profitable growth on the back of its 1) focus on technologically advanced niche/high performance products in performance plastics, 2) penetration in newer high growth markets, 3) attention on tapping new verticals in Ceramics & Refractories, 4) capacity expansion in coated abrasives, engineered ceramics and performance plastics, and 5) strong balance sheet, operating cash flows and return ratios (25.5% ROCE).. We expect GWN to report Revenue/Adj. PAT CAGR of 13.6%/16.4% over FY23-26E. We have an 'Accumulate' rating on the stock with a TP of Rs2,512, valuing it at a PE of 51x Dec-25E.

Carborundum Universal: We believe CUMI will perform better in the long run given 1) new product launches across segments, 2) strong market reach and exports, and 3) improvement in performance of recently acquired subsidiaries. We expect CUMI to report Revenue/Adj. PAT CAGR of 8.3%/19.1% over FY23-26E. We have a 'Buy' rating on the stock with a TP of Rs1,347.

Exhibit 3: Order intake to report strong growth in 4QFY24E*

Source: Company, PL

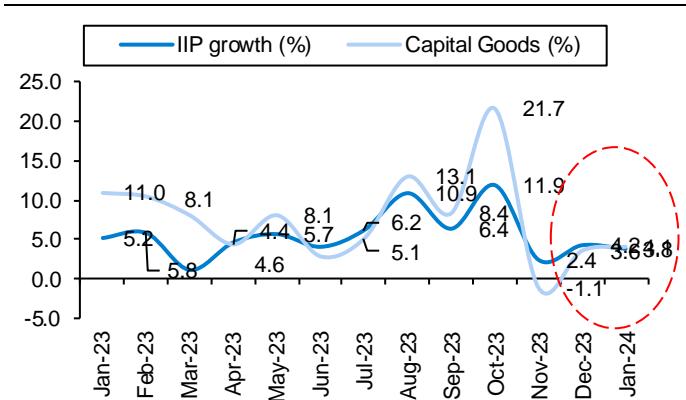
Exhibit 4: Utilization level continues to remain healthy

Source: RBI, PL

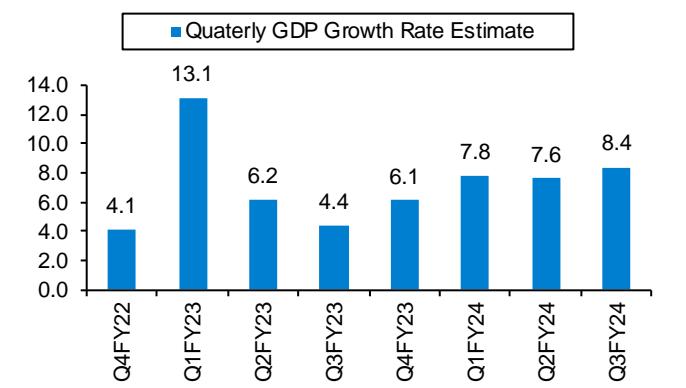
Exhibit 5: New projects continued to decline in Q4FY24

Rs trillion	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
New projects	16.0	7.5	3.1	5.2	11.3
YoY gr.	70%	10%	-45%	-48%	-29%
Completed projects	2.2	1.6	1.8	1.8	3.2
YoY gr.	57%	25%	31%	-7%	45%
Stalled projects	0.0	0.9	0.3	0.0	1.5
YoY gr.	-98%	1020%	68478%	106%	7361%
Revived projects	1.1	0.3	0.4	0.4	0.5
YoY gr.	222%	-8%	144%	-65%	-54%

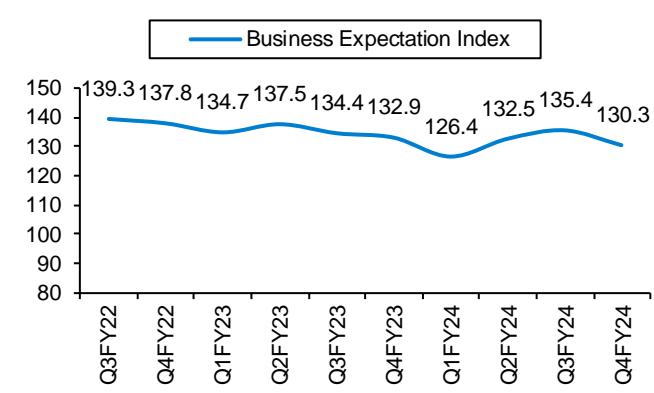
Source: CMIE, PL

Exhibit 6: IIP growth moderated in the last 3 months

Source: MOSPI, PL

Exhibit 7: GDP growth estimate for Q3FY24 remains robust

Source: MOSPI, PL

Exhibit 8: Business expectation sentiments declined in Q4FY24

Source: RBI, PL

Exhibit 9: Q4FY24 Result Preview

Company Name		Q4FY24E	Q4FY23	YoY gr. (%)	Q3FY24	QoQ gr. (%)	Remark
ABB India	Sales	29,999	24,112	24.4	27,575	8.8	We expect ABB to report revenue growth of 24.4% YoY, driven by strong growth across segments. Margins are likely to increase by ~165bps YoY to 13.5% owing to a better mix and price realization. Order inflows for the quarter are likely to be led by the Electrification and Industrial Automation segments, with continued traction in large orders.
	EBITDA	4,045	2,853	41.8	4,172	(3.1)	
	Margin (%)	13.5	11.8	165 bps	15.1	-165 bps	
	PBT	4,497	3,279	37.2	4,537	(0.9)	
	Adj. PAT	3,373	2,452	37.6	3,452	(2.3)	
Apar Industries	Sales	44,445	40,886	8.7	40,132	10.7	We expect revenue to rise 8.7% YoY, led by healthy growth in the Cables business, while the Specialty Oil segment is expected to remain flattish. Meanwhile, the Conductors business is expected to report a decline in revenue owing to falling realizations, with volumes to rise marginally YoY versus a high base. Management's commentary on demand in US and domestic markets will be key monitorables.
	EBITDA	37,153	4,239	776.4	4,050	817.3	
	Margin (%)	83.6	10.4	7322 bps	10.1	7350 bps	
	PBT	35,883	3,282	993.3	2,844	1,161.8	
	Adj. PAT	35,124	2,427	1,347.0	2,176	1,514.4	
Bharat Electronics	Sales	84,252	64,566	30.5	41,367	103.7	Bharat Electronics is expected to deliver healthy revenue growth of 30.5% YoY, driven by increased execution of a strong order book. EBITDA margin is expected to decline by ~590bps YoY factoring in delivery of products with relatively higher material costs. During the quarter, BEL announced healthy order intake worth ~Rs61bn, including ~Rs22bn for supply of indigenously designed & developed EW suite for Indian Navy warships. Management commentary on exports, non-defence segment, and FY25 outlook will be key monitorables.
	EBITDA	18,849	18,248	3.3	10,494	79.6	
	Margin (%)	22.4	28.3	-589 bps	25.4	-300 bps	
	PBT	18,686	17,815	4.9	11,723	59.4	
	Adj. PAT	13,767	13,654	0.8	8,933	54.1	
BEML	Sales	19,007	13,879	36.9	10,470	81.5	We expected BEML to register strong revenue growth of 36.9% YoY, driven by execution of Metro and Defence contracts. EBITDA margin is likely to expand by ~95bps YoY to 21.6% due to better absorption of fixed costs. Execution efficiency, employee costs, and order inflows will be key monitorables.
	EBITDA	4,108	2,868	43.2	559	635.2	
	Margin (%)	21.6	20.7	95 bps	5.3	1628 bps	
	PBT	3,872	2,775	39.5	668	479.2	
	Adj. PAT	2,825	1,577	79.1	482	486.1	
BHEL	Sales	1,03,964	82,270	26.4	55,038	88.9	We expect BHEL's revenue to grow 26.4% YoY, with healthy execution across both Power and Industry segments. EBITDA margin is estimated to increase by ~90bps to 12.9%, led by pick up in execution. The company recorded strong order intake this quarter including four contracts worth Rs340bn to supply equipment for thermal power projects. Execution pace, working capital, order pipeline, and margins will be key monitorables.
	EBITDA	13,382	9,861	35.7	-629	NA	
	Margin (%)	12.9	12.0	88 bps	-1.1	1401 bps	
	PBT	12,087	8,641	39.9	-2,089	NA	
	Adj. PAT	8,514	5,981	42.3	-1,628	NA	
Carborundum Universal	Sales	12,133	11,996	1.1	11,514	5.4	We estimate consolidated revenue to rise marginally by 1.1% YoY, factoring in negative impact of continued Chinese dumping on Electrominerals and Abrasives subsidiaries. On the other hand, Ceramics business is expected to record healthy growth. EBITDA margin is expected to remain flattish at ~16.0%. Management commentary on European demand, Chinese dumping, and performance of subsidiaries will be key monitorables.
	EBITDA	1,942	1,903	2.1	1,925	0.9	
	Margin (%)	16.0	15.9	14 bps	16.7	-71 bps	
	PBT	1,520	1,503	1.2	1,532	(0.7)	
	Adj. PAT	1,028	1,180	-12.9	1,113	(7.7)	
Engineers India	Sales	10,350	8,801	17.6	8,676	19.3	We expect EIL to register revenue growth of 17.6% YoY, with healthy growth across Consultancy and Turnkey segments. EBITDA margin is expected to decline YoY to 8.2% (versus a high base). Management commentary on petrochemical consultancy project pipeline and international business will be key monitorables.
	EBITDA	848	1,669	(49.2)	501	69.4	
	Margin (%)	8.2	19.0	-1077 bps	5.8	242 bps	
	PBT	1,036	2,043	(49.3)	714	45.0	
	Adj. PAT	780	1,902	(59.0)	633	23.1	
GE T&D India	Sales	8,629	7,031	22.7	8,390	2.9	We expect revenue to grow by 22.7% YoY driven by execution of a substantial order book. EBITDA margin is expected to expand by ~950bps YoY to 13.5% on the back of better gross margin. Margin guidance, execution, and related party orders will be key monitorables.
	EBITDA	1,162	279	316.3	965	20.3	
	Margin (%)	13.5	4.0	949 bps	11.5	196 bps	
	PBT	1,152	43	2,554.7	730	57.9	
	Adj. PAT	764	-109	NA	493	54.9	
Grindwell Norton	Sales	7,146	6,648	7.5	6,599	8.3	We expect Grindwell to record revenue growth of 7.5% YoY driven by healthy growth across Abrasives and Ceramics. EBITDA margin is likely to rise by ~26bps YoY to 19.7%. Management commentary on performance of Ceramics & Plastics segment will be the key monitorable.
	EBITDA	1,408	1,293	8.9	1,278	10.2	
	Margin (%)	19.7	19.4	26 bps	19.4	34 bps	
	PBT	1,390	1,333	4.2	1,221	13.8	
	Adj. PAT	1,017	992	2.5	925	10.0	

Company Name		Q4FY24E	Q4FY23	YoY gr. (%)	Q3FY24	QoQ gr. (%)	Remark
Harsha Engineers International	Sales	3,434	3,437	-0.1	3,245	5.8	We estimate Harsha's revenue to remain flat YoY owing to weakness in Romania & China businesses, offset by continued execution in Solar EPC and pick-up in India Engineering sales. EBITDA margin is likely to contract ~255bps YoY to 12.2% as a result of a lower operating profitability in India business. Management commentary on bronze bushings, European market, foreign subsidiaries, and Japan sales are key monitorables.
	EBITDA	420	508	-17.3	398	5.7	
	Margin (%)	12.2	14.8	-255 bps	12.3	-2 bps	
	PBT	281	449	-37.4	380	(26.0)	
	Adj. PAT	207	326	-36.6	297	(30.3)	
Hindustan Aeronautics	Sales	1,41,977	1,24,947	13.6	60,613	134.2	HAL's revenue is expected to grow 13.6% YoY, driven by healthy execution of manufacturing contracts. EBITDA margin is likely to decline ~200bps YoY to 24.0% (vs high base of 26.0%) owing to a higher mix of manufacturing revenue. During the quarter, HAL signed manufacturing contracts worth ~Rs147bn. Provision expenses and order pipeline will be key monitorables.
	EBITDA	34,037	32,458	4.9	14,353	137.1	
	Margin (%)	24.0	26.0	-200 bps	23.7	29 bps	
	PBT	30,435	28,571	6.5	16,828	80.9	
	Adj. PAT	22,668	22,567	0.4	12,614	79.7	
KEC International	Sales	56,978	55,250	3.1	50,067	13.8	We expect revenue to grow 3.1% YoY led decent execution across Civil, T&D and Oil & Gas segments. EBITDA margin is likely to improve by ~240bps YoY to 7.5% versus a low base. During the quarter, KEC announced strong order inflows worth ~Rs66bn primarily across T&D, Civil and Cables. Management commentary on order inflows, margins, and working capital will be key monitorables.
	EBITDA	4,278	2,835	50.9	3,079	38.9	
	Margin (%)	7.5	5.1	238 bps	6.1	136 bps	
	PBT	2,341	859	172.6	1,207	93.9	
	Adj. PAT	1,648	722	128.3	969	70.1	
Cummins India	Sales	22,904	19,260	18.9	25,341	(9.6)	Cummins' revenue is expected to grow 18.9% YoY, led by strong domestic growth, while exports are likely to remain muted owing to softness in key geographies such as Europe and China. EBITDA margin is estimated to increase by ~294bps to 19.9%. Management's commentary on export market outlook, supply chain, and CPCB transition will be key monitorables.
	EBITDA	4,551	3,261	39.6	5,379	(15.4)	
	Margin (%)	19.9	16.9	294 bps	21.2	-136 bps	
	PBT	5,263	4,129	27.5	6,034	(12.8)	
	Adj. PAT	3,869	3,185	21.5	4,562	(15.2)	
Kalpataru Projects International	Sales	53,013	43,960	20.6	41,470	27.8	We expect Kalpataru's revenue to grow 20.6% YoY driven by strong growth in Urban Infra, B&F, and Oil & Gas segments. EBITDA margin is likely to expand by ~116bps YoY to 8.2% factoring in better mix. During the quarter, the company announced order intake worth ~Rs45bn across T&D and B&F. It also received an LoI from Saudi Aramco for three EPC packages for the Master Gas System Network expansion project (MGS-3), which could be worth another Rs50-70bn. Management commentary on order inflow & pipeline will be key monitorables.
	EBITDA	4,364	3,110	40.3	3,440	26.9	
	Margin (%)	8.2	7.1	116 bps	8.3	-6 bps	
	PBT	2,917	1,660	75.7	1,940	50.4	
	Adj. PAT	2,085	1,147	81.8	1,440	44.8	
Larsen & Toubro	Sales	6,60,978	5,83,352	13.3	5,51,278	19.9	We expect L&T to report consolidated revenue growth of 13.3% YoY, led by growth in Energy and services businesses. EBITDA margin is likely to fall by ~45bps to 11.3% owing to legacy jobs in core business and lower profitability in Development Projects (vs a high base in Q4FY23). During the quarter, L&T announced healthy order intake in the range of Rs344-584bn, led by a couple of large Defence contracts along with a few Hydrocarbon orders. Management commentary on near term order prospects, working capital, and core margins will be key monitorables.
	EBITDA	74,366	68,329	8.8	57,590	29.1	
	Margin (%)	11.3	11.7	-46 bps	10.4	80 bps	
	PBT	63,309	59,074	7.2	47,718	32.7	
	Adj. PAT	39,794	39,868	(0.2)	29,474	35.0	
Praj Industries	Sales	10,403	10,040	3.6	8,286	25.5	We estimate Praj to report revenue growth of 3.6% YoY, led by healthy execution in the Engineering segment. EBITDA margin is likely to rise by ~100bps amidst softening commodity prices but higher operating expenses. Management commentary on sugar-based ethanol orders, status of new GenX facility, 2G IOCL plant, and international orders will be key monitorables.
	EBITDA	1,189	1,045	13.8	965	23.3	
	Margin (%)	11.4	10.4	102 bps	11.6	-21 bps	
	PBT	1,250	1,128	10.8	919	35.9	
	Adj. PAT	931	881	5.7	704	32.3	
Siemens	Sales	55,995	48,578	15.3	48,252	16.0	We estimate Siemens to report 15.3% YoY revenue growth driven execution of a robust opening order book, with healthy growth expected across Smart Infra, Mobility and Digital Industries. EBITDA margin is likely to rise by ~20bps YoY to 13.0%. Order inflows are likely to be driven by growing investments in power, data centers, electronics, auto, chemicals, water, etc, along with rising demand for manufacturing productivity and energy & cost efficiencies.
	EBITDA	7,261	6,212	16.9	5,961	21.8	
	Margin (%)	13.0	12.8	18 bps	12.4	61 bps	
	PBT	8,088	6,494	24.5	6,783	19.2	
	Adj. PAT	5,985	4,718	26.9	5,057	18.4	
Thermax	Sales	26,685	23,108	15.5	23,244	14.8	We estimate Thermax's revenue to grow 15.5% YoY, led by healthy growth across segments. EBITDA margin will likely improve by 26bps YoY to 8.9%. Key monitorables would be management's commentary on green solutions business and order pipeline (especially large orders).
	EBITDA	2,379	1,999	19.0	1,874	26.9	
	Margin (%)	8.9	8.7	26 bps	8.1	85 bps	
	PBT	2,387	2,140	11.5	1,834	30.2	
	Adj. PAT	1,791	1,562	14.7	1,109	61.4	

Company Name		Q4FY24E	Q4FY23	YoY gr. (%)	Q3FY24	QoQ gr. (%)	Remark
Triveni Turbine	Sales	4,873	3,698	31.8	4,317	12.9	We expect Triveni Turbine to report 31.8% YoY revenue growth, driven by robust product sales in export markets. EBITDA margin is likely to increase by ~170bps YoY to 19.7% aided by better mix and operating leverage. Management commentary on enquiry pipeline, aftermarket segment, export business, and API turbine market will be key monitorables.
	EBITDA	958	663	44.3	837	14.4	
	Margin (%)	19.7		17.9 171 bps	19.4	26 bps	
	PBT	981	733	33.8	949	3.4	
	Adj. PAT	730	555	31.4	682	7.0	
Voltamp Transformers	Sales	5,348	4,399	21.6	4,085	30.9	We estimate Voltamp to record healthy revenue growth of 21.6% YoY, driven by mix of healthy volumes and better realizations. EBITDA margin is likely to dip ~22bps YoY to 20.9% versus a high base. Key monitorables will be management commentary on competition, pricing power, and capacity expansion plans.
	EBITDA	1,116	928	20.3	1,048	6.5	
	Margin (%)	20.9		21.1 -23 bps	25.7	-479 bps	
	PBT	1,181	1,008	17.1	1,264	(6.5)	
	Adj. PAT	836	766	9.2	946	(11.6)	

Source: Company, PL

Exhibit 10: Valuation Summary

Company Names	S/C Rating	CMP (Rs)	TP (Rs)	MCap (Rs bn)	Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)				RoE (%)				PE (x)				
					FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	FY23	FY24E	FY25E	FY26E	
ABB India*	S	Acc	6,645	5,331	1,408.1	85.7	104.5	129.3	153.5	9.6	14.9	18.2	21.6	7.7	12.5	14.6	17.4	36.4	58.9	69.1	82.0	17.1	22.9	22.7	22.9	182.8	112.8	96.2	81.0
Apar Industries	C	Acc	7,153	6,564	287.3	143.5	161.6	190.8	224.4	12.3	15.2	15.7	18.9	6.4	8.0	8.1	10.4	166.6	200.4	201.9	259.4	32.3	26.7	19.9	22.0	42.9	35.7	35.4	27.6
Bharat Electronics	S	HOLD	229	182	1,672.1	176.5	200.7	234.7	269.6	40.5	46.0	53.3	62.0	30.1	36.1	41.0	47.5	4.1	4.9	5.6	6.5	23.5	25.1	25.1	25.4	55.6	46.3	40.8	35.2
BEML	C	BUY	3,465	3,345	144.3	39.0	44.4	52.5	61.4	3.6	4.8	6.5	8.3	1.6	3.1	4.1	5.4	37.9	73.8	97.8	128.7	6.6	12.0	14.2	16.4	91.4	46.9	35.4	26.9
BHEL ¹	S	UR	263	NA	914.0	233.6	260.3	327.7	423.0	7.2	5.2	21.8	52.4	4.5	1.0	13.0	34.8	1.3	0.3	3.7	10.0	1.7	0.4	4.7	11.5	204.2	882.9	70.3	26.3
Carborundum Universal	C	BUY	1,273	1,347	241.7	46.5	47.1	52.4	59.1	6.5	7.2	8.7	10.3	4.0	4.3	5.5	6.7	20.8	22.6	28.8	35.2	15.3	14.3	16.0	17.1	61.1	56.3	44.2	36.2
Engineers India	C	HOLD	223	257	125.3	33.3	35.1	39.6	46.6	3.1	3.0	4.7	6.2	3.5	3.5	4.9	6.2	6.2	6.2	8.7	11.1	18.6	16.9	21.5	23.9	36.2	36.0	25.5	20.2
GE T&D India ¹	S	UR	930	NA	238.1	27.7	31.2	42.0	52.3	1.0	3.2	4.9	6.4	0.0	1.9	3.3	4.3	-0.1	7.5	12.8	16.8	-0.2	16.7	24.6	26.9	11,211.9	124.5	72.7	55.4
Grindwell Norton	C	Acc	2,075	2,512	229.7	25.4	27.3	31.5	37.2	5.0	5.5	6.4	7.7	3.6	4.1	4.7	5.7	32.7	37.0	42.4	51.5	21.5	21.3	21.6	23.0	63.5	56.0	48.9	40.3
Harsha Engineers International	C	Acc	412	441	37.5	13.6	13.6	15.8	18.1	1.9	1.6	2.3	2.9	1.2	1.0	1.6	2.0	13.5	10.5	17.2	22.3	15.5	8.6	12.7	14.6	30.4	39.3	23.9	18.5
Hindustan Aeronautics	C	HOLD	3,565	2,787	2,384.5	269.3	298.1	326.9	367.9	66.8	72.4	80.5	91.6	46.3	55.8	61.0	69.1	69.2	83.4	91.1	103.3	21.6	22.1	21.0	20.5	51.5	42.7	39.1	34.5
KEC International	C	HOLD	765	686	196.6	172.8	194.5	219.5	247.1	8.3	12.5	17.5	23.8	1.8	3.6	8.1	12.7	6.8	14.0	31.4	49.4	4.8	9.2	18.4	24.2	111.7	54.7	24.3	15.5
Cummins India	S	HOLD	3,001	2,480	831.9	77.4	89.3	101.5	114.9	12.4	16.7	18.3	21.0	11.4	14.9	16.3	18.7	41.1	53.7	58.6	67.5	22.3	26.5	26.5	27.8	72.9	55.9	51.2	44.5
Kalpataru Projects International	S	BUY	1,194	1,025	193.9	143.4	169.1	207.1	243.0	11.6	14.0	18.2	23.3	4.9	5.9	8.3	11.5	30.4	36.3	50.9	70.8	9.6	10.6	13.4	16.4	39.3	32.9	23.5	16.9
Larsen & Toubro	C	BUY	3,753	4,071	5,273.4	1833.4	2201.3	2484.4	2782.3	207.5	237.0	302.9	350.9	103.7	126.4	167.8	201.0	73.8	90.0	119.4	143.0	12.1	13.3	15.5	16.2	50.9	41.7	31.4	26.2
Praj Industries	C	BUY	520	636	95.6	35.3	34.9	42.3	51.2	3.1	3.6	4.6	5.8	2.4	2.8	3.5	4.4	13.0	15.5	19.1	23.9	24.1	24.5	25.9	27.6	39.9	33.6	27.2	21.7
Siemens#	C	Acc	5,570	4,617	1,982.9	161.4	195.5	223.2	252.8	17.6	24.9	29.6	34.0	12.6	19.6	23.6	27.4	35.4	55.1	66.2	77.0	11.5	15.9	16.7	17.0	157.1	101.1	84.2	72.4
Thermax ¹	C	UR	4,550	NA	512.3	80.9	92.3	105.3	119.2	6.0	7.6	9.4	11.2	4.5	6.5	6.9	8.2	40.0	58.1	61.3	73.1	12.2	16.1	15.4	16.4	113.7	78.3	74.3	62.2
Triveni Turbine	C	BUY	555	532	176.4	12.5	16.8	21.5	27.4	2.4	3.2	4.6	5.9	2.0	2.7	3.7	4.8	6.2	8.4	11.8	15.2	24.2	31.4	35.5	36.2	90.1	66.3	47.1	36.5
Voltamp Transformers ¹	S	UR	10,000	NA	101.2	13.9	16.5	18.4	21.0	2.3	3.3	3.2	3.7	2.0	3.0	2.8	3.2	197.6	294.0	279.4	315.6	19.5	24.7	20.2	19.9	50.6	34.0	35.8	31.7

Source: Company, PL

* Y/e Dec / # Y/e Sep S=Standalone / C=Consolidated / Acc=Accumulate / UR=Under Review

Some stocks have variation from our rating system concerning target prices and upsides given increased market volatility. Stocks in which we have a long-term positive outlook, the TP and rating has not been changed as well. We shall review the same at the time of results.

¹Given the steep run up in stock price, we will review our rating post the Q4FY24 result.

Exhibit 11: Change in Estimates

	Rating		Target Price			Sales						PAT						EPS					
			FY24E		FY25E		FY24E		FY25E		FY24E		FY25E		FY24E		FY25E		FY24E		FY25E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
ABB India*	Acc	Acc	5,331	5,329	0.0%	1,04,465	1,03,667	0.8%	1,29,318	1,29,318	0.0%	12,482	11,683	6.8%	14,639	14,631	0.0%	58.9	55.1	6.8%	69.1	69.0	0.0%
Apar Industries	Acc	Acc	6,564	6,890	-4.7%	1,61,567	1,61,567	0.0%	1,90,808	1,90,808	0.0%	8,050	7,967	1.0%	8,111	8,111	0.0%	200.4	198.3	1.0%	201.9	201.9	0.0%
Bharat Electronics	HOLD	HOLD	182	182	0.0%	2,00,660	2,03,523	-1.4%	2,34,722	2,34,618	0.0%	36,131	36,693	-1.5%	41,002	40,982	0.0%	4.9	5.0	-1.5%	5.6	5.6	0.0%
BEML	BUY	BUY	3,345	3,345	0.0%	44,413	44,413	0.0%	52,454	52,454	0.0%	3,075	3,075	0.0%	4,072	4,072	0.0%	73.8	73.8	0.0%	97.8	97.8	0.0%
BHEL	UR	REDUCE	NA	200	NA	2,60,290	2,60,290	0.0%	3,27,665	3,27,665	0.0%	1,035	1,035	0.0%	13,003	13,003	0.0%	0.3	0.3	0.0%	3.7	3.7	0.0%
Carborundum Universal	BUY	BUY	1,347	1,347	0.0%	47,143	47,131	0.0%	52,429	54,288	-3.4%	4,292	4,291	0.0%	5,466	5,707	-4.2%	22.6	22.6	0.0%	28.8	30.1	-4.2%
Engineers India	HOLD	HOLD	257	257	0.0%	35,107	35,107	0.0%	39,595	39,595	0.0%	3,485	3,485	0.0%	4,912	4,912	0.0%	6.2	6.2	0.0%	8.7	8.7	0.0%
GE T&D India	UR	REDUCE	NA	631	NA	31,172	31,172	0.0%	41,975	41,975	0.0%	1,912	1,912	0.0%	3,274	3,274	0.0%	7.5	7.5	0.0%	12.8	12.8	0.0%
Grindwell Norton	Acc	Acc	2,512	2,512	0.0%	27,266	27,266	0.0%	31,543	31,543	0.0%	4,102	3,939	4.1%	4,695	4,695	0.0%	37.0	35.6	4.1%	42.4	42.4	0.0%
Harsha Engineers International	Acc	Acc	441	441	0.0%	13,553	13,553	0.0%	15,819	15,819	0.0%	953	948	0.6%	1,569	1,569	0.0%	10.5	10.4	0.6%	17.2	17.2	0.0%
Hindustan Aeronautics	HOLD	HOLD	2,787	2,787	0.0%	2,98,100	2,94,863	1.1%	3,26,857	3,26,857	0.0%	55,791	55,177	1.1%	60,959	60,971	0.0%	83.4	82.5	1.1%	91.1	91.2	0.0%
KEC International	HOLD	HOLD	686	686	0.0%	1,94,472	1,95,826	-0.7%	2,19,545	2,21,615	-0.9%	3,598	4,181	-13.9%	8,078	9,914	-18.5%	14.0	16.3	-13.9%	31.4	38.6	-18.5%
Cummins India	HOLD	HOLD	2,480	2,480	0.0%	89,328	89,328	0.0%	1,01,489	1,01,489	0.0%	14,877	14,877	0.0%	16,254	16,254	0.0%	53.7	53.7	0.0%	58.6	58.6	0.0%
Kalpataru Projects International	BUY	BUY	1,025	1,025	0.0%	1,69,143	1,75,451	-3.6%	2,07,057	2,07,057	0.0%	5,895	6,276	-6.1%	8,264	8,264	0.0%	36.3	38.6	-6.1%	50.9	50.9	0.0%
Larsen & Toubro	BUY	BUY	4,071	4,071	0.0%	22,01,320	22,01,320	0.0%	24,84,424	24,84,424	0.0%	1,26,424	1,25,691	0.6%	1,67,792	1,67,792	0.0%	90.0	89.5	0.6%	119.4	119.4	0.0%
Praj Industries	BUY	BUY	636	636	0.0%	34,880	34,880	0.0%	42,316	42,316	0.0%	2,845	2,845	0.0%	3,507	3,507	0.0%	15.5	15.5	0.0%	19.1	19.1	0.0%
Siemens#	Acc	Acc	4,617	4,572	1.0%	1,95,538	1,95,538	0.0%	2,23,217	2,23,217	0.0%	19,620	19,620	0.0%	23,564	23,290	1.2%	55.1	55.1	0.0%	66.2	65.4	1.2%
Thermax	UR	REDUCE	NA	3,017	NA	92,283	92,283	0.0%	1,05,330	1,05,330	0.0%	6,544	5,789	13.0%	6,900	6,900	0.0%	58.1	51.4	13.0%	61.3	61.3	0.0%
Triveni Turbine	BUY	BUY	532	532	0.0%	16,832	16,832	0.0%	21,475	21,475	0.0%	2,661	2,673	-0.4%	3,746	3,746	0.0%	8.4	8.4	-0.4%	11.8	11.8	0.0%
Voltamp Transformers	UR	HOLD	7,619	7,619	0.0%	16,469	16,469	0.0%	18,388	18,388	0.0%	2,975	2,975	0.0%	2,827	2,827	0.0%	294.0	294.0	0.0%	279.4	279.4	0.0%

Source: Company, PL

* Y/e Dec / # Y/e Sep

C=Current / P=Previous / Acc=Accumulate / UR = Under Review

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	Accumulate	5,329	4,985
2	Apar Industries	Accumulate	6,890	6,069
3	BEML	BUY	3,345	2,875
4	Bharat Electronics	Hold	182	186
5	BHEL	Reduce	200	224
6	Carborundum Universal	BUY	1,347	1,116
7	Cummins India	Hold	2,480	2,585
8	Engineers India	Hold	257	244
9	GE T&D India	Reduce	631	736
10	Grindwell Norton	Accumulate	2,512	2,243
11	Harsha Engineers International	Accumulate	441	396
12	Hindustan Aeronautics	Hold	2,787	2,923
13	Kalpataru Projects International	BUY	1,025	873
14	KEC International	Hold	686	657
15	Larsen & Toubro	BUY	4,071	3,480
16	Praj Industries	BUY	636	474
17	Siemens	Accumulate	4,572	4,313
18	Thermax	Reduce	3,017	3,319
19	Triveni Turbine	BUY	532	425
20	Voltamp Transformers	Hold	7,619	7,910

PL's Recommendation Nomenclature

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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