

VA Tech Wabag (VATWAB)

Moderate performance, strong outlook...

- VA Tech Wabag (Wabag) reported mixed Q4FY17 numbers. Revenues came in line with our estimates but EBITDA margins and the bottomline were below our estimates
- Wabag reported revenues of ₹ 1132.1 crore, up 31.8% YoY (l-direct estimate: ₹ 1134.7 crore). We believe the topline growth was on account of on-track execution of its large projects
- Absolute EBITDA increased 8.8% YoY to ₹ 132 crore. EBITDA margins came in at 11.7% vs. 14.1% in Q4FY16 (our estimate: 13.3% for Q4FY17. This margin miss was due to a sharp spike in 'other expenses' in the quarter. Other expenses rose ~2x for the quarter
- Wabag adjusted net profit of ₹ 75.7 crore vs. profit of ₹ 68.5 crore in Q4FY16. We estimate PAT of ₹ 91.5 crore for the quarter. The company now has an order backlog of ₹ 8100 crore, including framework orders of ~₹ 870 crore. The key concern – working capital days came in at 68 days as on March 31, 2017 vs. 77 days as on March 31, 2017

Healthy order inflows, improved execution in overseas projects

Wabag now has an order backlog of ₹ 8100 crore, including a framework order of ~₹ 870 crore. Order intake for Q4FY17 was at ~₹ 868 crore. Execution in the overseas segment witnessed a healthy pick-up. The same contributed ~64% to topline in FY17. The management indicated that all overseas projects are now progressing as per schedule. In the overseas market, the management is seeing good traction from Southeast Asia, Latin America, Middle East regions and Sub-Saharan regions.

Positive outlook, order wins from Namami Gange pose upside risk

The company may witness large order inflows from 'Namami Gange', the tendering process for which has already started. The management has pegged this opportunity at ₹ 4000-5000 crore over the next two or three years. Large order wins from this segment pose upside risk to our target price. The company also plans to raise fund up to ₹ 400 crore for meeting equity contribution criteria in any such large project. All such projects are likely to be centrally funded to the tune of 40%. The rest 60% is to be funded via debt and equity. Of the 60%, 26% equity is to be held by the key technology partner with three year lock-in and 15 years O&M contract. Apart from this opportunity, Wabag may participate in large upcoming orders from Maharashtra (~₹ 8000 crore) for mega sewage treatment plants, Tamil Nadu (~₹ 5000 crore) for desalination plants, Delhi (~₹ 2500 crore) and Karnataka (~₹ 2500 crore) for water treatment.

Realignment/liquidation to bring-in efficiencies

The management has realigned its business in four key clusters and liquidated unwanted subsidiaries in different regions. Separate teams have been formed to monitor project closures, receivables and make centralised procurements. These initiatives are expected to have a positive impact on margins by reducing leakages.

Maintain BUY on efficient working capital management, better outlook

We believe timely execution of overseas order and higher contribution from domestic orders will ease working capital concerns. With an improving outlook, we have pencilled in new order wins of ₹ 4,500 crore and ₹ 5000 crore for FY18E and FY19E, respectively. Accordingly, we value the company at 16x FY19E (15x FY19E earlier) EPS of ₹ 48 to arrive at a target price of ₹ 765.

Rating matrix	
Rating	: Buy
Target	: ₹ 765
Target Period	: 12 months
Potential Upside	: 14%

What's Changed?	
Target	Changed from ₹ 630 to ₹ 765
EPS FY18E	Changed from ₹ 36.8 to ₹ 39.4
EPS FY19E	Changed from ₹ 42 to ₹ 48
Rating	Unchanged

Quarterly Performance					
	Q4FY17	Q4FY16	YoY (%)	Q3FY17	QoQ (%)
Revenue	1132.1	858.8	31.8	718.3	57.6
EBITDA	132.0	121.3	8.8	81.6	61.7
EBITDA (%)	11.7	14.1	(246.5)	11.4	29.6
APAT	75.7	68.5	10.5	(2.6)	(3058.2)

Key Financials				
₹ Crore	FY16	FY17	FY18E	FY19E
Revenue	2,549	3,219	3,865	4,594
EBITDA	225	308	398	479
EBITDA (%)	8.8	9.6	10.3	10.4
Net Profit	93	170	215	262
EPS (₹)	16.9	18.8	39.4	48.0

Valuation summary				
	FY16	FY17	FY18E	FY19E
P/E	39.5	35.6	17.0	13.9
Target P/E	44.9	24.6	19.4	15.9
EV / EBITDA	16.7	11.6	9.0	7.4
P/BV	3.7	3.4	2.9	2.4
RoNW (%)	9.8	10.0	18.4	19.1
RoCE (%)	17.3	22.1	24.3	24.8

Stock data	
Particular	Amount
Market Capitalization (₹ Crore)	3,633
Total Debt (FY17) (₹ Crore)	229.0
Cash and Investments (FY17) (₹ Crore)	376.2
EV (₹ Crore)	3,485.8
52 week H/L (₹)	736 / 450
Equity capital (₹ Crore)	10.9
Face value	₹ 2

Price performance (%)				
	1M	3M	6M	12M
VA Tech	(2.6)	14.0	31.0	17.7
L&T	1.9	21.3	31.8	20.8
Thermax	(3.0)	16.5	20.9	33.1

Research Analyst	
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Variance analysis

	Q4FY17	Q4FY17E	Q4FY16	YoY (%)	Q3FY17	QoQ (%)	Comments
Revenue	1,132.1	1,134.7	858.8	31.8	718.3	57.6	Significant growth in topline through focused execution aided by a healthy backlog
Other Operating Income	0.3	13.0	2.8	(88.0)	5.3	(93.8)	
Revenue	1,132.1	1,134.7	858.8	31.8	718.3	57.6	
Cost of sales & Services	784.1	800.0	660.7	18.7	547.7	43.2	
Employees Remuneration & Benefits	58.2	85.1	59.6	(2.3)	65.8	(11.5)	
Other Expenses & Forex loss/(gain)	36.1	51.1	18.1	98.8	30.9	16.8	
Total operating expenses	1,000.1	984.2	737.5	35.6	636.7	57.1	Expenses vary QoQ depending on the mix of projects
EBITDA	132.0	150.6	121.3	8.8	81.6	61.7	
EBITDA Margin (%)	11.7	13.3	14.1	-246 bps	11.4	30 bps	Lower EBITDA margins due to margin contraction in one of its overseas projects
Depreciation	5.2	10.1	5.1		4.6	11.4	
Finance charges	16.1	17.0	14.2	12.7	12.4	29.0	
PBT	110.8	123.5	102.0	8.7	64.6	71.6	
Tax	32.6	32.0	32.8	0.0	4.5	631.8	
PAT	78.1	91.5	69.1	0.0	60.1	30.0	The loss in share of profits from associates during Q3FY17 primarily reflects the adverse impact of liquidated damages in Oman desalination JV
Minority Interest	3.8	0.3	0.3	0.0	2.2	71.2	
Share of profit in associate	1.3	-0.3	-0.3		-60.5		
Adjusted PAT	75.7	90.9	68.5		(2.6)		
Key Metrics							
Order Intake	887		1,775	(50.0)	1,211	(26.7)	
Order backlog	7,324		7,646	(4.2)	7,568	(3.2)	

Source: Company, ICICIdirect.com Research

Change in estimates

(₹ Crore)	FY18E			FY19E		
	Old	New	% Change	Old	New	% Change
Revenue	3,799.8	3,865.0	1.7	4,338.8	4,594.3	5.9
EBITDA	387.6	398.5	2.8	442.6	478.7	8.2
EBITDA Margin (%)	10.2	10.3	11 bps	10.2	10.4	22 bps
PAT	198.3	214.8	8.3	228.9	261.8	14.4
EPS (₹)	36.4	39.4	8.3	42.0	48.0	14.4

Source: Company, ICICIdirect.com Research

Assumptions

	Current			Earlier	
	FY17	FY18E	FY19E	FY18E	FY19E
Order Intake	3,620	4,500	5,000	4,500	4,800
Order Backlog	7,328	8,620	9,770	10,161	11,175
EBITDA margin (%)	9.6	10.3	10.4	10.2	10.2

Source: Company, ICICIdirect.com Research

Company Analysis

VA Tech Wabag - A leading global water treatment player

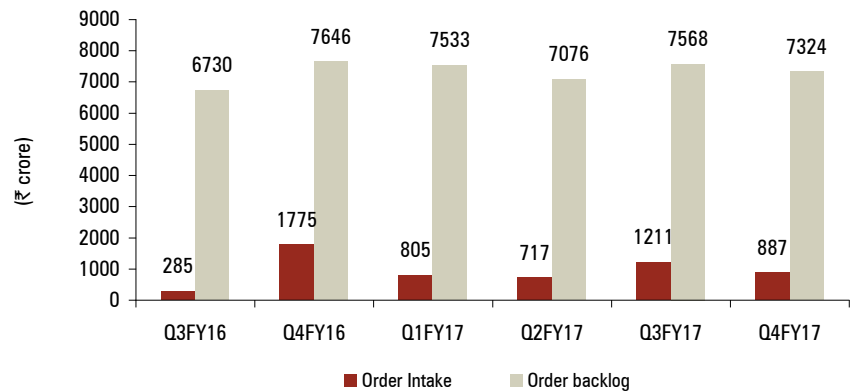
VA Tech Wabag (Wabag) is a leading MNC in the water treatment space (water desalination, sewage water treatment, waste water treatment, etc), with a global presence. The company operates on an asset light-EPC led model in water treatment projects across municipal & industrial segments. It focuses on design & engineering while outsourcing civil construction & erection jobs. Wabag has executed over 2,250 projects till date and has a market share of ~14% in the Indian market. The company garners a higher EBITDA margin of ~13-14% across its India business, 8-9% across the India international business and 5-6% across the Europe segment taking overall EBITDA margin to ~9.3%. With a healthy order book composition and strong order inflow for the quarter (Exhibit 1 & 2), we believe the company is on a strong footing.

Exhibit 1: Order book composition 9MFY17

₹ Crore)	EPC		O&M		Total
	Municipal	Industrial	Municipal	Industrial	
Wabag India	2367	1636	1141	19	5163
Wabag Overseas	1396	614	69	87	2166
Framework Contracts					866
Total	3763	2250	1209	106	8194

Source: Company, ICICIdirect.com Research

Exhibit 2: Order intake and backlog – quarterly trend

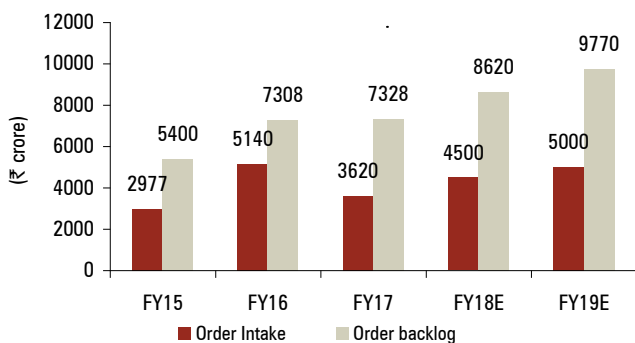


Source: Company, ICICIdirect.com Research

Engineering excellence and asset light business model

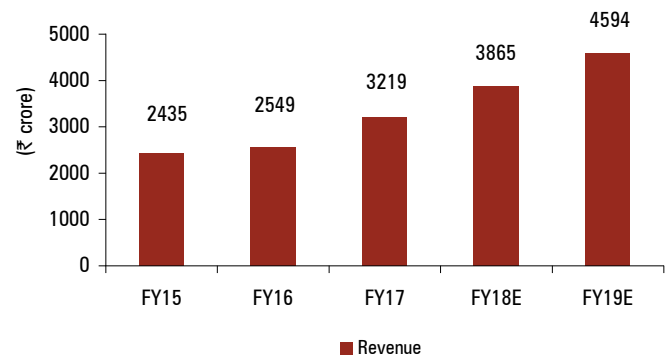
VA Tech Wabag (Wabag) operates on an asset light EPC model, thereby possessing a lean balance sheet. With growing concern on access to clean water and urgent measures to solve the issue of depleting water resources, the investment in water treatment is likely to increase manifold globally. Accordingly, Wabag is expected to benefit significantly by leveraging its strong domestic presence and rising global footprint. The company's strong book-to-bill ratio of ~2.3x provides revenue visibility for over two years. This, coupled with a strong execution track record, is expected to lead to 19.5% revenue CAGR in FY17-19E to ₹ 4594 crore while the margin is expected to increase to 10.4% in FY19E.

Exhibit 3: Annual trend – Order intake and backlog



Source: Company, ICICIdirect.com Research

Exhibit 4: Revenue growth to be driven by strong order intake ...

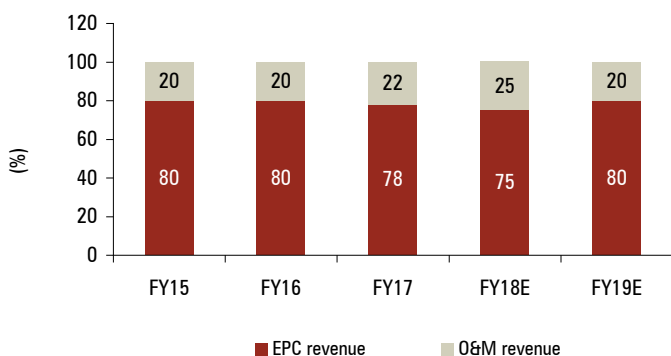


Source: Company, ICICIdirect.com Research

EBITDA margin likely to improve 180 bps over next two years...

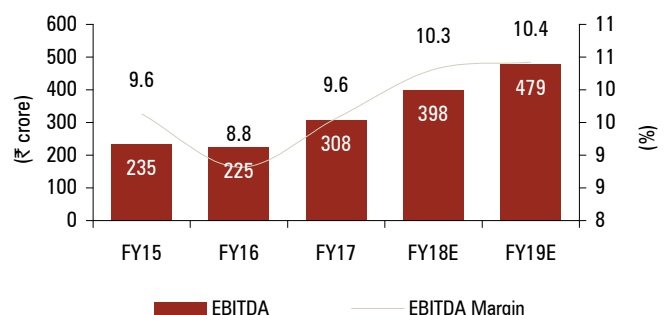
Wabag has earned average EBITDA margins of 9.6% in FY17. Going ahead, margins are likely to improve on the back of shifting of its operations base from high cost countries to low cost local markets. Accordingly, we expect EBITDA margins to improve from 9.6% in FY17 to 10.4% in FY19E. We expect margins to improve further by 180 bps over the next two years. Overall, the EBITDA is expected to grow at a CAGR of 24.7% to ₹ 479 crore in FY19E.

Exhibit 5: Share of O&M revenue to remain at 20-25% of total revenue



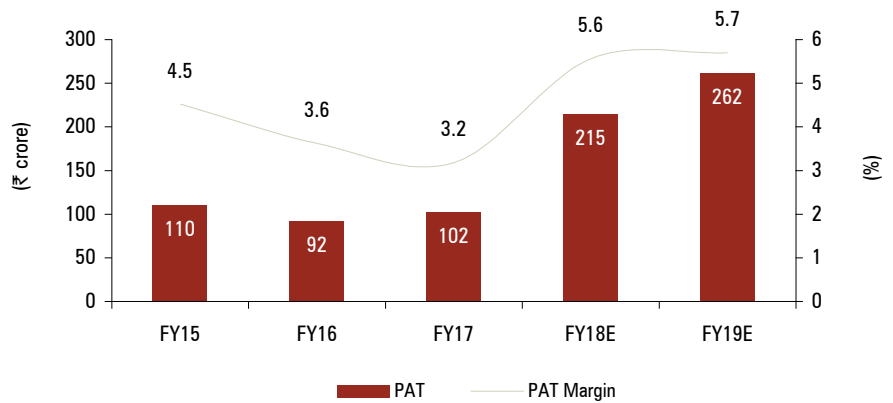
Source: Company, ICICIdirect.com Research

Exhibit 6: EBITDA and EBITDA margin trend



Source: Company, ICICIdirect.com Research

Exhibit 7: PAT trend

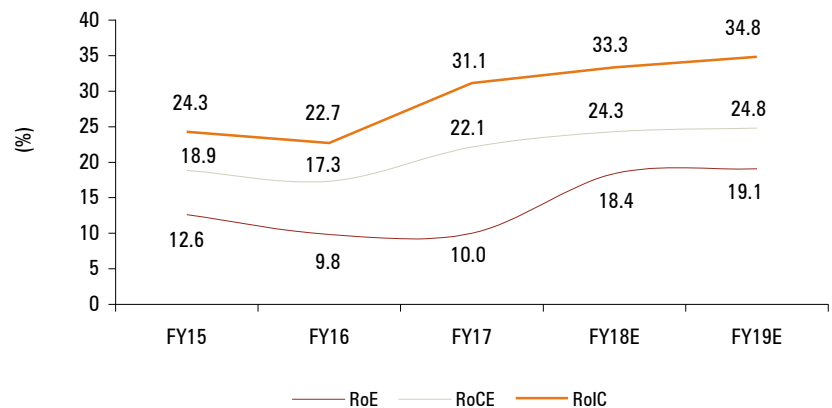


Source: Company, ICICIdirect.com Research

Return ratios likely to improve over FY17-19E

With no major capex requirement over FY17-19E, Wabag's D/E is likely to remain subdued at ~0.3x. Furthermore, with an improvement in margin over FY17-19E (mostly due to higher contribution from the domestic segment), return ratios are likely to improve from here. We expect RoE and RoCE to improve from 10% and 22.1% in FY17 to 19.1% and 24.8%, respectively, in FY19E. The return on invested capital (RoIC) is expected to improve from 31.1% in FY17 to 34.8% in FY19E.

Exhibit 8: RoE expected to increase on the back of improved operational performances



Source: Company, ICICIdirect.com Research

Outlook and valuation

Strong management pedigree, execution capabilities

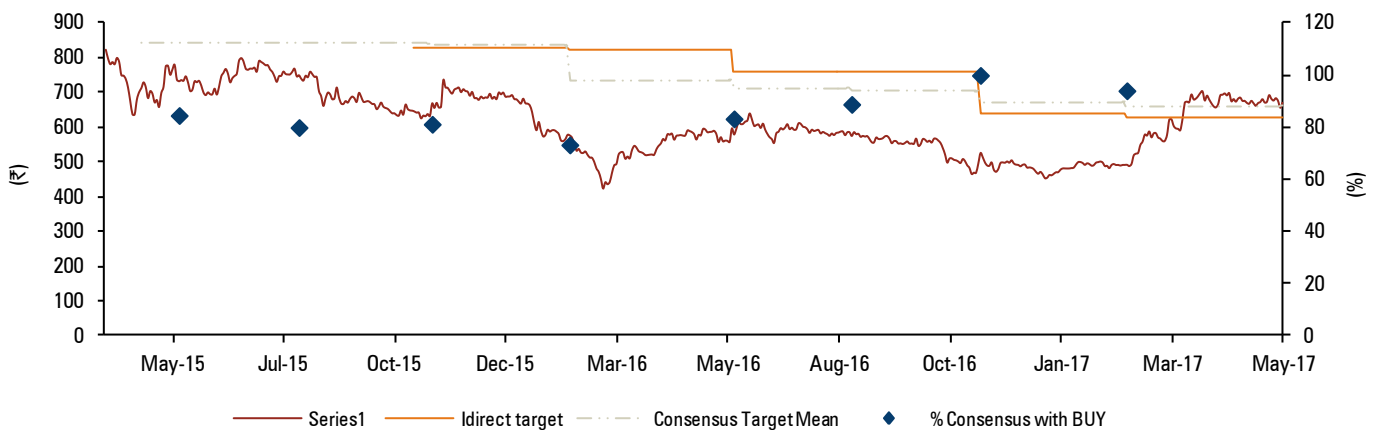
Wabag has a strong management team in place. The company continuously conducts an enterprise-wide exercise that results in reengineering of processes, realignment of strengths and reorganisation of business verticals. Since 2007, the company has operated through four strategic business units (SBUs) comprising municipal business group (MBG), industrial water group (IWG), operations business group (OBG) and desalination business group (DBG), earlier known as international business group (IBG).

As part of organisational realignment, Wabag fine-tuned its business strategy and created four clusters — India, Europe, Middle East & Africa (MEA) and LatAm. This cluster approach tries to strike a balance between centralisation and decentralisation leading to enhanced capacity, better collaboration, greater competitiveness and increased competency

Going ahead, we expect Wabag's growth to come from a revival in industrial capex across Indian and global markets. Revenues are expected to grow at a CAGR of 19.5% over FY17-19E while PAT is expected to grow at a CAGR of 59.9% over the same period coupled with a margin improvement of 180 bps over FY17-19E. The margin improvement is expected to be driven by higher execution of domestic orders. This, we believe, will lead to a healthy return ratio profile, going ahead, as RoE is expected to improve to 19.1% in FY19E from 10% in FY17. Hence, we believe Wabag will witness quality earning growth over FY17-19E.

We believe timely execution of overseas order and higher contribution from domestic orders is likely to ease working capital concerns. With improving outlook, we have pencilled in new order wins of ₹ 4,500 crore and ₹ 5000 crore for FY18E and FY19E, respectively. Accordingly, we value the company at 16x FY19E (15x FY19E earlier) EPS of ₹ 48 to arrive at a target price of ₹ 765.

Recommendation history vs. consensus



Source: Bloomberg, Company, ICICIdirect.com Research, Initiated coverage on 17th December 2014

Key events

Date	Event
Aug-11	Stock split from ₹ 5/- to ₹ 2/-
Jun-12	Wabag receives an order worth ₹ 270 crore for construction of a 32.4 MLD effluent treatment plant with recycle facility from Reliance Industries for setting up an industrial effluent treatment plant at Dahej
Nov-12	Wabag in consortium with Cadagua (Spain) and Galfar (Oman) has bagged a 192 MLD SWRO desalination project in Al Gubrah, Muscat, Sultanate of Oman at a cost of \$ 350 mn
Feb-13	Wabag completes the Nemelli desalination project within the stipulated time
Jun-13	Wabag wins ₹ 325 crore JICA funded projects from Orissa Water Supply Sewerage Board and ₹ 344 crore order from Phillipines funded by World Bank
Nov-13	Order intake surpasses ₹ 2000 crore for the first time in any particular year surpassing the annual target set by the company
Jan-14	Wabag achieves breakthrough in Tanzania by bagging orders worth \$40 mn, which is funded by EXIM bank of India. The project involves building of 130 MLD Upper Ruvu Water Treatment Plant
Sep-15	Secures its largest ever ETP order from Petronas, Malaysia worth ₹ 1,500 crore
Mar-16	Board recommends a bonus issue of 1:1
Mar-16	Polgahawela order in Sri Lanka propels Wabag's order book to all-time high. Over ₹ 5,000 crore of orders secured in FY15-16

Source: Company, ICICIdirect.com Research

Top 10 Shareholders

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)	Shareholding Pattern (in %)	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
1	Mittal (Rajiv)	30-Sep-2016	17.83%	9.71M	0	Promoter	28.9	28.9	28.8	28.8	24.7
2	IDFC Asset Management Company Private Limited	30-Sep-2015	7.23%	3.94M	0	FII	27.1	27.3	27.9	26.1	25.9
3	BNP Paribas Investment Partners Asia Ltd.	30-Sep-2016	6.62%	3.61M	+0.14M	DII	23.0	24.8	22.2	21.4	24.0
4	SBI Funds Management Pvt. Ltd.	31-Dec-2016	5.97%	3.25M	0	Others	20.9	19.0	21.2	23.7	25.4
5	Sumitomo Corp	30-Sep-2016	4.51%	2.46M	0						
6	Sengupta (Amit)	30-Sep-2016	4.03%	2.19M	0						
7	Varadarajan (S)	30-Sep-2016	4.01%	2.19M	0						
8	ICICI Prudential Life Insurance Company Ltd.	30-Sep-2016	3.44%	1.87M	-0.13M						
9	Birla Sun Life Asset Management Company Ltd.	30-Sep-2016	2.96%	1.61M	-0.02M						
10	Saraf (Shiv Narayan)	30-Sep-2016	2.94%	1.60M	0						

Source: Reuters, ICICIdirect.com Research

Recent Activity

Investor name	Value	Shares	Investor name	Value	Shares
Van Eck Associates Corporation	+5.78M	+0.70M	ICICI Prudential Life Insurance Company Ltd.	-1.05M	-0.13M
Tata Asset Management Limited	+2.82M	+0.34M	Pioneer Investment Management Ltd.	-0.99M	-0.12M
BNP Paribas Investment Partners Asia Ltd.	+1.13M	+0.14M	Mellon Capital Management Corporation	-0.35M	-0.04M
KBI Global Investors Ltd	+0.80M	+0.10M	Mirae Asset Global Investments (Hong Kong) Limited	-0.25M	-0.03M
Kotak Mahindra Asset Management Company Ltd.	+0.37M	+0.05M	Morgan Stanley Investment Management Inc. (US)	-0.15M	-0.02M

Source: Reuters, ICICIdirect.com Research

Financial summary

Profit and loss statement ₹ Crore				
(Year-end March)	FY16	FY17	FY18E	FY19E
Total operating Income	2,548.6	3,219.1	3,865.0	4,594.3
Growth (%)	4.7	26.3	20.1	18.9
Cost of sales	2,038.2	2,482.0	2,979.9	3,542.2
Decrease in inventory	(49.3)	56.8	(0.4)	(0.9)
Employees Remuneration	217.7	244.0	313.1	367.5
Other expenses	117.4	128.6	173.9	206.7
Total Operating Expenditure	2,323.9	2,911.3	3,466.5	4,115.6
EBITDA	224.7	307.9	398.5	478.7
Growth (%)	(4.2)	37.0	29.4	20.1
Depreciation	20.5	19.1	22.0	25.0
Interest	42.4	52.6	60.7	68.7
Other Income	0.0	0.0	0.0	0.0
PBT	161.7	236.2	315.8	385.1
Total Tax	68.9	66.7	101.1	123.2
PAT	92.8	169.5	214.8	261.8
Growth (%)	(15.7)	82.6	26.7	21.9
Share of profit in associate	0.9	(57.3)	0.9	0.9
Adjusted PAT	92.2	102.4	214.8	261.8
EPS (₹)	16.9	18.8	39.4	48.0

Source: Company, ICICIdirect.com Research

Cash flow statement ₹ Crore				
(Year-end March)	FY16	FY17	FY18E	FY19E
Profit before Tax	161.7	236.2	315.8	385.1
Add: Depreciation	20.5	19.1	22.0	25.0
(Inc)/dec in Current Assets	(430.7)	(266.4)	(544.0)	(586.0)
Inc/(dec) in CL and Provisions	149.8	269.0	352.2	405.2
Others	(26.5)	(14.1)	(40.4)	(54.5)
CF from operating activities	(125.2)	243.8	105.7	174.8
(Inc)/dec in Investments	10.0	7.7	1.0	0.0
(Inc)/dec in Fixed Assets	(3.4)	(5.0)	(18.0)	(13.0)
Others	0.0	0.0	0.0	0.0
CF from investing activities	6.6	2.7	(17.0)	(13.0)
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0
Inc/(dec) in loan funds	196.7	(69.1)	44.5	48.9
Dividend paid & dividend tax	(21.8)	(27.2)	(31.1)	(32.7)
Inc/(dec) in Sec. premium	0.0	0.0	0.0	0.0
Others	(42.4)	(52.6)	(60.7)	(68.7)
CF from financing activities	132.5	(148.9)	(47.2)	(52.5)
Net Cash flow	13.9	97.6	41.5	109.3
Opening Cash	264.8	278.6	376.2	417.7
Closing Cash	278.6	376.2	417.7	527.0

Source: Company, ICICIdirect.com Research

Balance sheet ₹ Crore				
(Year-end March)	FY16	FY17	FY18E	FY19E
Liabilities				
Equity Capital	10.9	10.9	10.9	10.9
Reserve and Surplus	962.2	1,064.7	1,248.4	1,477.5
Total Shareholders funds	973.1	1,075.6	1,259.3	1,488.4
Total Debt	377.3	308.2	352.7	401.6
Deferred Tax Liability	3.1	3.1	3.1	3.1
Others LT liabilities	152.3	162.9	202.5	225.0
Long term provision	17.0	17.0	17.0	17.0
Minority interest	8.2	8.2	8.2	8.2
Total Liabilities	1,201	1,347	1,590	1,872
Assets				
Gross Block	216.0	223.0	231.0	239.0
Less: Acc Depreciation	38.0	57.1	79.1	104.1
Net Block	178.0	165.9	151.9	134.9
Capital WIP	12.0	10.0	20.0	25.0
Total Fixed Assets	190.0	175.9	171.9	159.9
Deferred Tax asset	7.8	10.7	10.7	10.7
Investments	43.3	40.0	39.0	39.0
Inventory	97.6	65.3	74.5	88.6
Debtors	1,768.2	2,012.0	2,415.6	2,871.5
Loans and Advances	109.9	198.6	238.4	283.4
Other Current Assets	150.3	170.0	204.1	242.7
Cash	278.6	376.2	417.7	527.0
Bank Balance	46.0	22.7	22.7	22.7
Total Current Assets	2,450.6	2,844.8	3,373.0	4,035.7
Creditors	1,039.9	1,154.4	1,354.5	1,610.1
Provisions	128.9	206.0	247.4	294.0
Total Current Liabilities	1,784.2	1,960.4	2,297.5	2,699.1
Net Current Assets	666.4	884.4	1,075.5	1,336.6
Others Assets	293.3	235.3	292.5	325.0
Application of Funds	1,201	1,347	1,590	1,872

Source: Company, ICICIdirect.com Research

Key ratios				
(Year-end March)	FY16	FY17	FY18E	FY19E
Per share data (₹)				
EPS	16.9	18.8	39.4	48.0
Cash EPS	20.7	22.3	43.4	52.6
BV	178.6	197.4	231.1	273.1
DPS	4.0	5.0	5.7	6.0
Cash Per Share	51.1	69.0	76.6	96.7
Operating Ratios (%)				
EBITDA Margin	8.8	9.6	10.3	10.4
PAT Margin	3.6	5.3	5.6	5.7
Inventory days	12.9	9.6	9.1	9.1
Debtor days	232.6	228.1	228.1	228.1
Creditor days	170.6	169.8	165.9	165.9
Return Ratios (%)				
RoE	9.8	10.0	18.4	19.1
RoCE	17.3	22.1	24.3	24.8
RoIC	22.7	31.1	33.3	34.8
Valuation Ratios (x)				
P/E	39.5	35.6	17.0	13.9
EV / EBITDA	16.7	11.6	9.0	7.4
EV / Net Sales	1.5	1.1	0.9	0.8
Market Cap / Sales	1.4	1.1	0.9	0.8
Price to adjusted Book Value	3.7	3.4	2.9	2.4
Solvency Ratios				
Debt/EBITDA	1.7	1.0	0.9	0.8
Debt / Equity	0.4	0.3	0.3	0.3
Current Ratio	1.4	1.5	1.5	1.5
Debt servicing coverage ratio	3.7	3.3	4.9	5.2

Source: Company, ICICIdirect.com Research

ICICIdirect.com coverage universe (Capital Goods)

	CMP		Rating	M Cap (₹ Cr)	EPS (₹)			P/E (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)			FY16	FY17	FY18E	FY16	FY17	FY18E	FY16	FY17	FY18E	FY16	FY17	FY18E
AIA Engineering	1430	1,533	Buy	13156	44.3	50.1	51.9	32.3	28.5	27.6	24.7	21.9	22.4	27.6	22.1	19.6
Thermax (THERMA)	1000	800	Hold	10223	29.6	20.6	27.1	33.8	48.4	37.0	15.3	9.8	11.9	14.2	9.2	10.9
KEC International (KECIN)	250	292	Buy	3881	9.0	10.8	14.1	27.8	23.2	17.7	15.3	15.7	16.8	16.3	15.0	16.5
L&T (LARTOU)	1760	2090	Buy	162800	51.4	52.0	65.0	34.2	33.8	27.1	10.3	10.0	11.5	12.5	12.8	13.0
Greaves Cotton (GREAVE)	155	176	hold	3782	6.6	7.1	8.7	23.5	21.8	17.8	18.0	24.5	26.9	19.5	20.8	23.8
VaTech Wabag (VATWAB)	669	765	Buy	3633	16.9	18.8	39.4	39.5	35.6	17.0	17.3	22.1	24.3	9.8	10.0	18.4
NRB Bearing (NRBBEA)	123	115	Hold	1115	5.6	5.9	6.5	20.6	19.4	17.8	16.0	16.8	16.9	17.5	16.8	16.5
Timken India (TATTIM)	690	700	Hold	4691	13.5	14.3	15.9	51.1	48.3	43.3	27.8	22.7	24.2	18.2	16.0	15.7
Grindwell Norton (GRINOR)	380	390	Buy	3543	9.4	11.2	12.6	33.9	28.5	25.3	22.7	25.1	26.9	15.5	17.6	18.9

Source: Company, ICICIdirect.com Research

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Buy: > 10%/15% for large caps/midcaps, respectively;

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