

Strong order inflow, execution continues...

L&T's standalone revenues for Q4FY19 grew 14.4% YoY to ₹ 30822.4 crore (above our estimate of ₹ 30702.9 crore). On a consolidated basis, revenues were up 10.5% to ₹ 44934 crore YoY. On a standalone basis, infrastructure & heavy engineering segment revenues grew 15.4% to ₹ 25837.4 crore and 86.8% to ₹ 899 crore on a YoY basis, respectively. For Q4FY19, L&T registered strong order inflows of ₹ 56538 crore at the group level, up 14% YoY while the order backlog was at ₹ 293427 crore, up 12% YoY. Standalone EBITDA margins came in at 11.2%, down 160 bps owing to few infra project headwinds. Consolidated PAT came in at ₹ 3916 crore, up 13% YoY. Net working capital improved 200 bps to 18% while RoE improved 120 bps to 15.3% YoY.

Positive surprise on order inflows front, strong bid pipeline

L&T positively surprised on order inflow front by delivering 16% order inflow growth to ₹ 176800 crore (beating its guidance of 10-12%). For Q4FY19, L&T registered strong order inflows worth ₹ 56538 crore, up 14% YoY at the group level, predominantly led by strong tendering activities in international markets. Key drivers for order inflows were the infrastructure (₹ 31033 crore) and hydrocarbon segments (₹ 12586 crore). L&T's order backlog was at ₹ 293427 crore, up 12% YoY. The expected strong bid pipeline of ₹ 9 -10 lakh crore is expected to ensure 10-12% order inflow growth in FY20E.

On strong footing across all segments

L&T's management has guided for 12-15% revenue growth in FY20E, suggesting strong execution pick up. During the year, efficient working capital management coupled with strong execution has led to balance sheet and cash flow improvement. Consolidated net cash flow from operations was at ₹ 9130 crore for FY19. Net working capital improved 200 bps to 18% YoY while RoE improved 120 bps to 15.3%, YoY. Given the strong backlog and front loaded order inflows across all segments, L&T is well placed to deliver 11.9% and 12.7% revenue and PAT CAGR on a standalone basis over FY19-21E, respectively.

Valuation & Outlook

L&T has consistently been delivering in terms of bagging orders, strong order execution while, at the same time, strong cash flows from operations and efficient working capital management are aiding to improve quality of its balance sheet. We believe revenue, PAT CAGR of 11.9%, 12.7% in FY19-21, respectively, coupled with improvement in return ratios should be value accretive for the stock. We value L&T on SoTP (with base business at 20x FY21E EPS) with a revised target price of ₹ 1680 and maintain **BUY** on L&T.



Particulars

Particular	Amount
Market Capitalization	₹ 183824 crore
Total Debt (FY18)	₹10560 Crore
Cash and Investments (FY18)	₹3183.8 Crore
EV	₹191200.2 crore
52 week H/L	₹1459/ ₹ 1183
Equity capital	₹ 277.5 Crore
Face value	₹ 2

Key Highlights

- Q4FY19 order inflow was at ₹ 56538 crore at the group level on a pick-up in tendering and ordering activity across segments
- Consolidated net cash flow from operations was at ₹ 9130 crore for FY19. RoE improved 120 bps to 15.3%, YoY
- We value L&T on SoTP (with base business at 20x on FY21E EPS) with a revised target price of ₹ 1680 per share and maintain our BUY rating

Research Analyst

Chirag Shah
shah.chirag@icicisecurities.com

Amit Anwani
amit.anwani@icicisecurities.com

Key Financial Summary

Particulars (₹ crore)	FY17	FY18	FY19P	FY20E	FY21E	CAGR (FY19-FY21E)
Net Sales	66,301.4	74,454.4	86,987.9	97,322.5	108,865.3	11.9%
EBITDA	6,425.2	7,407.7	8,498.6	9,905.0	11,145.9	14.5%
EBITDA Margin (%)	9.7	9.9	9.8	10.2	10.2	
Net Profit	5,453.8	5,387.1	6,677.9	7,410.2	8,484.8	12.7%
EPS (₹)	39.3	38.8	48.1	53.4	61.2	
P/ E (x)	34.5	34.9	28.2	25.4	22.2	
RoNW (%)	11.9	11.0	12.6	12.9	13.6	
RoCE (%)	9.2	10.6	11.7	12.6	13.2	

Source: Company, ICICI Direct Research

Exhibit 1: Variance Analysis

	Q4FY19	Q4FY19E	Q4FY18	YoY (Chg %)	Q3FY19	QoQ (Chg %)	Comments
Revenue	30,822.4	30,702.9	26,941.7	14.4	22,343.0	38.0	Revenue higher than estimates on account of higher-than-expected execution in infrastructure segment
Other Income	796.6	660.1	374.6	112.7	887.0	-10.2	
Employee Expenses	1,538.0	1,658.0	1,475.1	4.3	1,507.8	2.0	
Raw Material Expenses	22,199.3	23,825.5	20,919.5	6.1	18,034.7	13.9	
Other Operating Expenses	398.7	1,228.1	1,087.6	-63.3	660.2	-39.6	
EBITDA	3,460.9	3,991.4	3,459.5	0.0	2,140.3	61.7	
EBITDA Margin (%)	11.2	13.0	12.8	-161 bps	9.6	165 bps	Margins were below our estimates on account of few project headwinds in transportation infra segment
Depreciation	285.9	359.0	266.5	7.3	268.3	6.5	
Interest	436.1	422.3	373.6	16.7	488.6	-10.7	Interest costs were higher than our estimates
PBT (befor exp. Item)	3,535.6	3,870.2	3,194.0	10.7	2,270.4	55.7	
Total Tax	1,133.4	1,003.7	947.6	19.6	635.6	78.3	
PAT	2,377.5	2,866.5	2,445.2	-2.8	1,634.8	45.4	PAT was below our estimates on account of higher tax rate and margin pressure
Adj. PAT	2,394.2	2,866.5	2,301.9	4.0	1,634.8	40.8	
Key Metrics							
Order inflows	42,640.7	40,050.0	59,288.1	-28.1	35,622.5	19.7	Order inflow was higher on account of robust ordering and finalisation across segments
Order backlog	253,497.6	261,535.7	236,526.9	7.2	252,192.0	0.5	Backlog provides strong visibility for next two to three years

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	FY20E			FY21E		
	Old	New	% Change	Old	New	% Change
Revenue	99,895.6	97,322.5	-2.6	115,018.3	108,865.3	-5.3
EBITDA	10,530.8	9,905.0	-5.9	12,084.7	11,145.9	-7.8
EBITDA Margin (%)	10.5	10.2	-36 bps	10.5	10.2	-27 bps
PAT	7,956.3	7,410.2	-6.9	9,386.3	8,484.8	-9.6
EPS (₹)	57.3	53.4	-6.9	67.7	61.2	-9.6

Source: Company, ICICI Direct Research

Exhibit 3: Assumptions

	Current				Earlier	
	FY18	FY19E	FY20E	FY21E	FY20E	FY21E
Order Inflow growth	9.8	33.6	2.5	12.3	12.0	12.2
Order Backlog growth	0.6	6.0	21.8	20.3	30.3	25.6
Revenue growth	12.3	16.8	11.9	11.9	14.9	15.1
EBITDA Margins	9.9	9.8	10.2	10.2	10.5	10.5

Source: Company, ICICI Direct Research

Key financial results highlights:

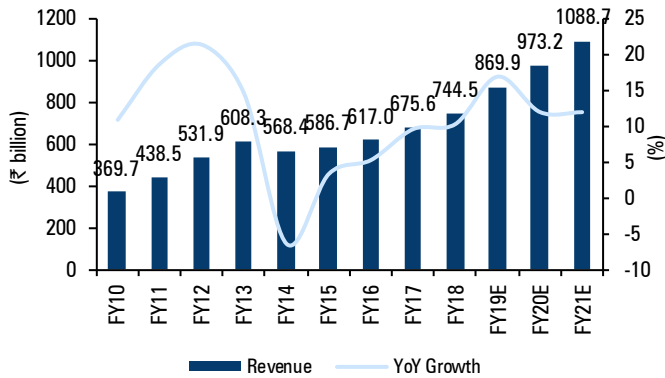
- On a standalone basis, the infrastructure segment has delivered a strong performance with revenue growth of 15.4% to ₹ 25837.4 crore on a YoY basis. Heavy engineering segment revenues grew 86.8% to ₹ 899 crore on a YoY basis. Electrical and automation segment grew 5% to ₹ 1406.4 crore on a YoY basis while defence engineering segment revenues grew 13.1% to ₹ 1089.9 crore. The realty segment has more than doubled to ₹ 182.2 crore. On the weak side, power segment revenues continues to decline 38% to ₹ 934.3 crore
- On a consolidated basis, infrastructure segment net revenues grew 12.0% to ₹ 26850 crore owing to robust order book conversion across business verticals while power segment revenues declined significantly by 38% to ₹ 934 crore due to aggressive competition, limited opportunities and over-capacity continues to impact order inflow and reduced order book. Heavy engineering segment registered robust net revenue growth of 58% to ₹ 770 crore predominantly driven from oil & gas sector and Electrical & Automation segment registered modest growth with revenues at ₹ 1630.0 crore. Hydrocarbon segment registered robust revenue growth of 22.0% to ₹ 4320 crore, IT & Technology segment grew by 23.0% to ₹ 3770 crore for the quarter.
- For Q4FY19, L&T registered strong order inflows at group level worth ₹ 56538 crore, grew by 14% YoY, predominantly led by strong tendering activities in international markets which doubled international order inflows to ₹ 17680 crore YoY while domestic orders declined by 5.0% to ₹ 38858 crore YoY basis. Public sector which continues to drive order inflow while private sector seen some orders. For FY19, the order inflow grew by 16% to ₹ 176800 crore in which domestic market contributed 68% while international market contributed 32%. L&T's order backlog was at ₹ 293427 crore, up 12% YoY
- During the quarter, standalone EBITDA margins came in at 11.2%, down 160 bps (vs. our estimate of 13.0%) on a YoY basis owing to a few project delays in the transportation segment. On a consolidated basis, EBITDA margins were at 12.5%. From a segmental perspective, infrastructure segment margins saw a decline of 120 bps to 12.3% owing to job mix, cost provisions arising from execution headwinds in transportation infra projects. Power segment EBITDA margins improved 50 bps to 4.7%, heavy engineering segment margins improved 300 bps to 22.8%, with international refinery space showing good traction
- During the quarter, efficient working capital management coupled with strong traction in execution has led to balance sheet improvement and strong cash generation. Consolidated net cash flow from operations was at ₹ 9130 crore for FY19. Net working capital improved 200 bps to 18% YoY while RoE improved 120 bps to 15.3%, YoY. Borrowings (ex-services) were at ₹ 34000 crore as on FY19, an increase of ₹ 1800 crore YoY
- Consequently, for Q4FY19, standalone adjusted PAT came in at ₹ 2394 crore, registering growth of 4% YoY (below our estimate of ₹ 2866.5 crore). Consolidated PAT for Q4FY19 was at ₹ 3916 crore, up 13% YoY

Analyst meet key takeaways

- The management has guided for 10-12% order inflow growth and 12-15% revenue growth for FY20E backed by a strong bid pipeline and execution pick-up. EBITDA margin at the group level is expected to remain stable. Working capital to sale is expected to remain around optimum level of 18%
- Infrastructure segment EBITDA margins declined 120 bps due to transportation project headwinds in India, Oman and partly due to fixed price contracts and commodity prices impact. Infra segment margins are likely to recover in FY20E
- FY19 order inflows of ₹1.76 lakh crore saw ₹ 40000 crore contribution from large orders (more ₹ 2500 crore). However, in FY19, 35% orders were received from state governments and 21% from PSUs. FY19 order backlog of ₹ 2.93 lakh crore saw 60% contribution from PSUs. Under the domestic segment, 40% was contributed by private orders
- FY19 order inflow includes 11.6% from Middle East, 78.4% domestic, 0.9% US & Europe and 9.1% Rest of the world. On the international front, L&T is planning to diversify in non-Middle East markets. It is seeing good traction in North & East Africa, Bangladesh, Malaysia, Myanmar and Indonesia
- The outlook in the Middle East is positive due to stabilisation of oil prices. Saudi Arabia, Kuwait and Qatar are expected to be key ordering markets while UAE, Abu Dhabi are seeing good traction in Petrochem
- L&T has anticipated order tendering pipeline of around ₹ 9-10 lakh crore across concerned segments and geographies. With the conversion strike rate of 20-25%, this is like to translate into order inflows of ₹ 1.95-₹ 2.00 lakh crore (10-12% growth, YoY) for FY20E
- L&T expects around 25% order inflows from international markets and around 75% inflow from domestic markets. The Q1FY19 is expected to see sluggish order inflow owing to elections and new government
- The ₹ 10 lakh crore bid pipeline includes ₹ 4.5 lakh crore bid pipeline in infrastructure segment, ₹ 1.0 lakh crore in power transmission segment, ₹ 0.5 lakh crore in power generation segment, ₹ 2.0-2.5 lakh crore in hydrocarbon segment and the rest in others
- In the domestic power segment, L&T expects a bid pipeline of around 6 GW of projects and expect winning 15-20% run rate. Flue gas Desulphurisation (FGD) tender pipeline of 40 GW is expected to create another opportunity for L&T
- In the defence sector, not much happened during FY19. The company has limited hope of opportunities in this segment even for FY20E considering elections and a new government will be in place
- Real estate revenues for Q4FY19 were at ₹ 182 crore. The company currently has 1500 flats remaining under inventory out of 4000 flats. The same will come for revenue billing over the coming quarters. Hence, we believe real estate revenues will be less lumpy than anticipated. However, L&T is exploring a lease and rental model for remaining commercial buildings to have steady rental income in coming years
- For FY19, total 55 km of Hyderabad Metro is operational while the next phase is expected to reach 68 km by September 2019

Financial Story in Charts

Exhibit 4: Trend in revenue growth



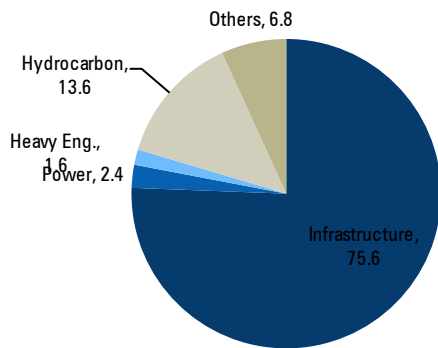
Source: ICICI Direct Research, Company

Exhibit 5: How L&T has fared across business cycles

	Inflow Growth (%)		Revenue Growth (%)	
	Guidance	Achievement	Guidance	Achievement
FY08	30	40	30-35	45
FY09	30	28	30	47
FY10	25-35	41	15-20	14
FY11	25	14	20	19
FY12	5	-12	25.00	21
FY13	15-20	25	15-20	15
FY14	15-20	15	15	10
FY15E	20	22	15	3
FY16	0	-13	15	12
FY17	15	10.9	15	10
FY18	0	7	10	9.5
FY19	10%-12%	16	12%-15%	18
FY20E	10%-12%		12%-15%	

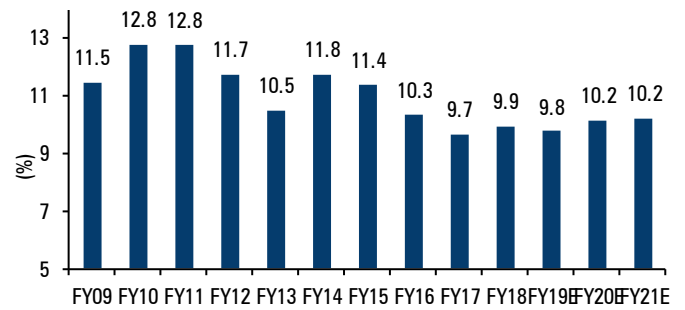
Source: ICICI Direct Research, Company

Exhibit 6: Break-up of consolidated backlog...



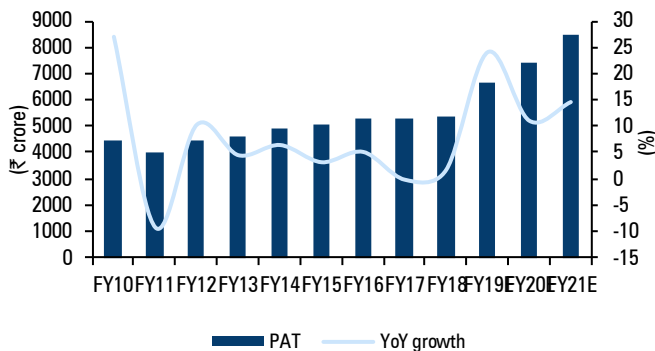
Source: Company, ICICI Direct Research

Exhibit 7: Trend in EBITDA margins...



Source: Company, ICICI Direct Research

Exhibit 8: Trend in profitability...



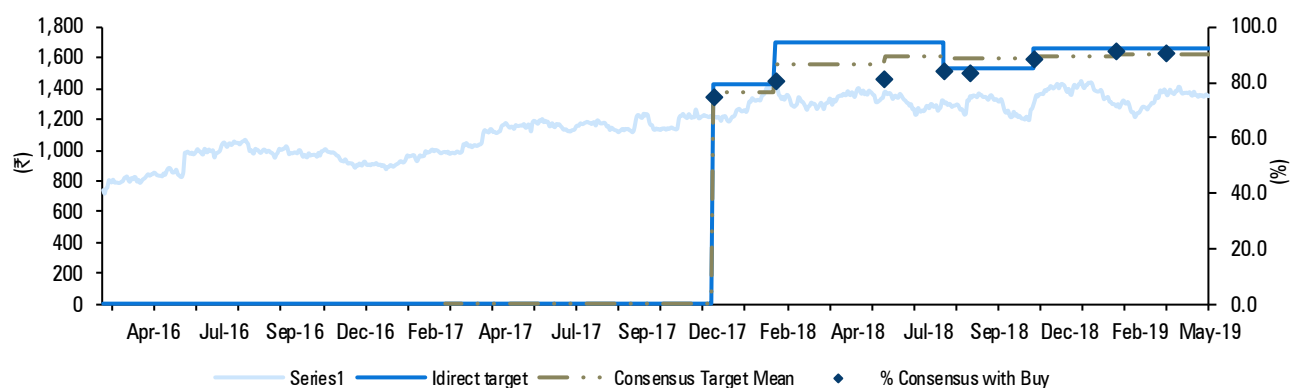
Source: Company, ICICI Direct Research

Exhibit 9: SoTP valuation of L&T

Company (₹per share)	Bull case	% of total	Base Case	% of total	Bear Case	% of total
Base Business	1408	68.8	1224.0	72.9	795.6	73.4
L&T Finance Holdings	112	5.5	78	4.7	67	6.2
L&T Infotech	260	12.7	208	12.4	130.1	12.0
L&T Power Development	18	0.9	11.5	0.7	7.7	0.7
L&T MHI JV	13	0.6	7.6	0.5	5.7	0.5
L&T IDPL	176	8.6	105.4	6.3	56.2	5.2
Other E&C, MIP & E&E Sub	29	1.4	20.4	1.2	15.0	1.4
Hydrocarbon	31	1.5	24	1.4	6	0.6
Total	2046	100.0	1680	100.0	1084	100.0

Source: Company, ICICI Direct Research

Exhibit 10: Recommendation History vs. Consensus



Source: Bloomberg, Company, ICICI Direct Research

Exhibit 11: Top 10 Shareholders

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	Life Insurance Corporation of India	31-Mar-19	17.6	246.7	-9.9
2	L&T Employees Welfare Foundation	31-Mar-19	12.3	172.1	0.0
3	HDFC Asset Management Co., Ltd.	31-Mar-19	5.0	70.2	11.3
4	SBI Funds Management Pvt. Ltd.	31-Mar-19	2.3	32.6	2.3
5	ICICI Prudential Asset Management Ltd.	31-Mar-19	2.3	32.3	3.7
6	ICICI Prudential Life Insurance Co. Ltd.	31-Mar-19	1.8	25.1	-1.3
7	UTI Asset Management Co. Ltd.	31-Dec-18	1.8	24.8	0.0
8	General Insurance Corporation of India	31-Mar-19	1.7	24.4	0.1
9	Reliance Nippon Life Asset Mgt Ltd	31-Mar-19	1.6	22.0	2.5
10	BlackRock Institutional Trust Company, NA	30-Apr-19	1.1	15.2	-0.1

Source: Reuters, ICICI Direct Research

Exhibit 12: Recent Activity

Buys			Sells		
Investor Name	Value	Shares	Investor Name	Value	Shares
HDFC Asset Management Co., Ltd.	+226.03M	+11.29M		-55.98M	-2.71M
ICICI Prudential Asset Management Co. Ltd.	+74.27M	+3.71M	Dimensional Fund Advisors, L.P.	-16.19M	-0.81M
Reliance Nippon Life Asset Management Limited	+50.81M	+2.54M	Ivy Investment Management Company	-14.62M	-0.71M
SBI Funds Management Pvt. Ltd.	+45.56M	+2.28M	Carnegie Fonder AB	-10.49M	-0.51M
Mirae Asset Global Investments (India) Pvt. Ltd.	+35.05M	+1.75M	General Insurance Corporation of India	-10.09M	-0.49M

Source: Reuters, ICICI Direct Research

Exhibit 13: Shareholding Pattern

(in %)	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
Promoter	0.0	0.0	0.0	0.0	0.0
FII	16.9	18.7	18.9	18.8	19.0
DII	40.9	39.1	38.6	39.4	38.8
Others	42.2	42.2	42.4	41.8	42.2

Source: Company, ICICI Direct Research

Financial summary

Exhibit 14: Profit and loss statement				
	₹ crore			
(Year-end March)	FY18	FY19E	FY20E	FY21E
Total operating Income	74,454.4	86,987.9	97,322.5	108,865.3
Growth (%)	12.3	16.8	11.9	11.9
Raw Material Expenses	8,938.6	10,135.1	11,863.7	13,376.1
Employee Expenses	5,710.9	6,137.2	7,636.5	8,503.5
Other Operating Expenses	43,158.5	51,643.0	55,690.5	62,012.9
Sales, administration & Other Exp	2,853.1	2,599.8	3,457.9	3,986.9
Other Manufacturing Expenses	6,385.6	7,974.2	8,768.8	9,840.1
Total Operating Expenditure	67,046.6	78,489.3	87,417.5	97,719.4
EBITDA	7,407.7	8,498.6	9,905.0	11,145.9
Growth (%)	15.3	14.7	16.5	12.5
Depreciation	1,049.2	1,067.7	1,256.8	1,359.9
Interest	1,432.2	1,641.3	1,498.6	1,593.1
Other Income	1,905.4	2,954.1	2,474.0	2,769.4
PBT	7,262.2	9,218.6	9,623.6	10,962.3
Others	0.0	0.0	0.0	0.0
Total Tax	1,875.1	2,540.6	2,213.4	2,477.5
PAT	5,387.1	6,677.9	7,410.2	8,484.8
Growth (%)	-1.2	24.0	11.0	14.5
EPS (₹)	38.8	48.1	53.4	61.2
EPS (₹, Adjusted)	31.6	33.4	35.4	34.5

Source: Company, ICICI Direct Research

Exhibit 15: Cash flow statement				
	₹ crore			
(Year-end March)	FY18	FY19E	FY20E	FY21E
Profit after Tax	5,387.1	6,677.9	7,410.2	8,484.8
Add: Depreciation	1,049.2	1,067.7	1,256.8	1,359.9
(Inc)/dec in Current Assets	-11,325.5	-11,045.1	-3,190.9	-9,760.4
Inc/(dec) in CL and Provisions	10,187.8	9,399.9	-1,080.3	4,225.1
Others	-	-	-	-
CF from operating activities	5,298.6	6,100.5	4,395.8	4,309.3
(Inc)/dec in Investments	-114.6	3,600.0	-1,000.0	-1,000.0
(Inc)/dec in Fixed Assets	-1,016.0	-774.7	-1,700.0	-1,250.0
Others	0.0	0.0	0.0	0.0
CF from investing activities	-1,827.7	2,149.2	-3,194.4	-2,731.4
Issue/(Buy back) of Equity	93.7	0.0	0.0	0.0
Inc/(dec) in loan funds	0.0	0.0	0.0	0.0
Dividend paid & dividend tax	-2,401.8	-2,996.7	-3,329.6	-3,662.6
Inc/(dec) in Sec. premium	44.1	50.0	50.0	50.0
Others	0.0	7.6	0.0	0.0
CF from financing activities	-2,222.9	-3,096.1	-2,257.6	-2,790.6
Net Cash flow	1,248.0	5,153.6	-1,056.3	-1,212.7
Opening Cash	1,935.8	3,183.8	8,337.4	7,281.1
Closing Cash	3,183.8	8,337.4	7,281.1	6,068.4

Source: Company, ICICI Direct Research

Exhibit 16: Balance sheet				
	₹ crore			
(Year-end March)	FY18	FY19E	FY20E	FY21E
Liabilities				
Equity Capital	280.3	280.3	280.3	280.3
Reserve and Surplus	48,785.4	52,727.3	56,979.8	61,974.0
Total Shareholders funds	49,065.7	53,007.5	57,260.1	62,254.3
Total Debt	10,561.0	10,201.0	11,101.0	11,801.0
Deferred Tax Liability	0.0	0.0	0.0	0.0
Minority Interest / Others	0.0	0.0	0.0	0.0
Total Liabilities	60,318.1	63,919.9	69,097.4	74,816.7
Assets				
Gross Block	9,303.3	10,303.3	11,303.3	12,553.3
Less: Acc Depreciation	3,030.8	4,118.6	5,322.3	6,629.0
Net Block	6,272.5	6,184.7	5,981.0	5,924.2
Capital WIP	452.1	300.0	1,000.0	1,000.0
Total Fixed Assets	6,724.6	6,484.7	6,981.0	6,924.2
Investments	28,473.4	24,873.4	25,873.4	26,873.4
Inventory	2,500.0	3,220.2	3,179.1	3,382.6
Debtors	24,454.2	28,216.2	32,529.7	35,791.3
Loans and Advances	992.3	1,269.3	1,358.4	1,472.1
Other Current Assets	42,960.6	49,246.5	48,076.0	54,257.4
Cash	3,183.8	8,337.4	7,281.1	6,068.4
Total Current Assets	74,091.0	90,289.7	92,424.2	100,972.0
Creditors	31,097.1	36,278.7	37,329.2	41,756.6
Provisions	1,102.2	1,922.8	2,165.1	2,296.6
Total Current Liabilities	55,292.0	64,691.9	63,611.5	67,836.6
Net Current Assets	18,799.1	25,597.8	28,812.7	33,135.3
Others Assets	0.0	0.0	0.0	0.0
Application of Funds	60,318.1	63,919.9	69,097.4	74,816.7

Source: Company, ICICI Direct Research

Exhibit 17: Key ratios				
	₹ crore			
(Year-end March)	FY18	FY19E	FY20E	FY21E
Per share data (₹)				
EPS	38.8	48.1	53.4	61.2
Cash EPS	46.4	55.8	62.5	71.0
BV	354.4	382.9	413.5	449.5
DPS	14.1	18.0	20.0	22.0
Cash Per Share	22.9	60.1	52.5	43.7
Operating Ratios (%)				
EBITDA Margin	9.9	9.8	10.2	10.2
PBT / Total Operating income	9.8	10.6	9.9	10.1
PAT Margin	7.2	7.7	7.6	7.8
Inventory days	10.4	12.0	12.0	11.0
Debtor days	119.9	118.4	122.0	120.0
Creditor days	152.4	152.2	140.0	140.0
Return Ratios (%)				
RoE	11.0	12.6	12.9	13.6
RoCE	10.6	11.7	12.6	13.2
RoIC	11.2	13.4	14.2	14.2
Valuation Ratios (x)				
P/E	34.1	27.5	24.8	21.7
EV / EBITDA	25.8	21.8	18.9	17.0
EV / Net Sales	2.6	2.1	1.9	1.7
Market Cap / Sales	2.5	2.1	1.9	1.7
Price to Book Value	3.7	3.5	3.2	2.9
Solvency Ratios				
Debt/EBITDA	1.4	1.2	1.1	1.1
Debt / Equity	0.2	0.2	0.2	0.2
Current Ratio	1.3	1.4	1.5	1.5
Quick Ratio	1.3	1.3	1.3	1.4

Source: Company, ICICI Direct Research

Exhibit 18: ICICI Direct coverage universe (Capital Goods)

Company	CMP			M Cap (₹ Cr)	EPS (₹)			P/E (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)	Rating		FY19E	FY20E	FY21E	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E
L&T (LARTOU)	1325	1,680	Buy	183824	48.1	53.4	61.2	27.5	24.8	21.7	11.7	12.6	13.2	12.6	12.9	13.6
Bhel (BHEL)	62	60	Hold	22762	2.6	3.5	4.3	23.0	17.1	13.9	5.0	6.2	7.2	2.9	3.9	4.8
AIA Engineering (AIAENG)	1770	1,890	Buy	16695	52.2	63.9	74.6	32.0	26.1	22.4	19.4	21.5	22.5	14.4	15.8	16.5
KEC International (KECIN)	271	315	Hold	6967	19.2	23.4	27.3	14.9	12.2	10.5	25.7	25.6	25.6	20.6	20.7	20.2
Kalpataru Power(KALPOW)	453	550	Buy	6952	26.1	31.5	37.0	17.8	14.8	12.6	18.3	19.0	19.9	12.6	13.0	13.4
Greaves Cotton (GREAVE)	140	150	Hold	3419	6.9	8.4	9.3	21.2	17.5	15.8	26.2	28.2	30.1	18.2	19.7	21.1
Bharat Electronics (BHAELE)	89	110	Buy	26803	6.6	7.0	7.8	11.4	10.6	9.6	25.6	25.0	25.3	18.2	17.4	17.3
Engineers India (ENGIND)	106	110	Hold	7413	5.6	7.0	7.9	19.1	15.3	13.5	20.6	24.0	24.1	15.5	18.9	20.3
VaTech Wabag (VATWAB)	262	295	Hold	1493	20.9	25.5	36.7	13.2	10.8	7.5	16.6	19.3	22.8	9.4	10.2	13.2
Cochin Shipyard (COCSHI)	360	410	Buy	4,644	35.6	36.5	39.9	9.7	9.5	8.6	15.0	13.6	13.6	13.8	13.2	13.5
SKF (SKFIND)	1844	2,050	Hold	10810	64.5	74.8	85.7	30.5	26.3	23.0	23.9	24.2	24.2	15.9	16.1	16.0
Timken India (TIMIND)	533	640	Buy	4351	15.7	17.9	21.7	32.6	28.5	23.5	12.8	14.2	15.5	9.4	9.8	10.7
NRB Bearing (NRBBEA)	167	215	Buy	2084	9.5	11.9	13.7	19.6	15.6	13.6	23.0	24.4	24.3	21.1	22.6	22.3
Grindwell Norton (GRINOR)	581	625	Buy	6699	16.1	17.6	19.7	37.5	34.3	30.7	24.4	24.4	25.0	16.4	16.4	16.7

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

**ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com**

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