

July 27, 2022

Q1FY23 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY23E	FY24E	FY23E	FY24E
Rating	BUY		BUY	
Target Price	2,030		2,091	
Sales (Rs. m)	17,25,662	19,19,458	17,22,100	18,97,759
% Chng.	0.2	1.1		
EBITDA (Rs. m)	2,08,178	2,41,177	2,07,092	2,34,602
% Chng.	0.5	2.8		
EPS (Rs.)	76.2	87.4	75.6	84.1
% Chng.	0.7	3.9		

Key Financials - Consolidated

Y/e Mar	FY21	FY22	FY23E	FY24E
Sales (Rs. bn)	1,360	1,565	1,726	1,919
EBITDA (Rs. bn)	156	182	208	241
Margin (%)	11.5	11.6	12.1	12.6
PAT (Rs. bn)	53	86	107	123
EPS (Rs.)	37.4	61.2	76.2	87.4
Gr. (%)	(40.9)	63.5	24.5	14.8
DPS (Rs.)	36.0	22.0	19.0	21.9
Yield (%)	2.1	1.3	1.1	1.2
RoE (%)	7.4	10.9	12.3	12.7
RoCE (%)	6.1	7.4	8.3	9.2
EV/Sales (x)	2.4	2.0	1.9	1.7
EV/EBITDA (x)	21.2	17.6	15.5	13.4
PE (x)	46.8	28.6	23.0	20.0
P/BV (x)	3.2	3.0	2.7	2.4

Key Data

LART.BO | LT IN

52-W High / Low	Rs.2,079 / Rs.1,456
Sensex / Nifty	55,268 / 16,484
Market Cap	Rs.2,461bn/ \$ 30,850m
Shares Outstanding	1,405m
3M Avg. Daily Value	Rs.3612.19m

Shareholding Pattern (%)

Promoter's	-
Foreign	21.09
Domestic Institution	34.82
Public & Others	44.07
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	17.2	(9.0)	9.6
Relative	11.8	(4.8)	4.8

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Improved execution, healthy order pipeline

Quick Pointers:

- Order inflows came in healthy at Rs418bn (up 57% YoY), driven by order wins across diverse segments, international orders contributed 43% of total.
- Management maintained its guidance of 12-15% revenue and order inflow growth, with core EBITDA margin of ~9.5% for FY23.

Larsen & Toubro (LT) reported a healthy quarterly performance with revenue growth of 22.2% YoY to Rs358.5bn, largely driven by improved execution in infrastructure segment and better growth in IT & Technology services business. Order inflows came in at Rs418bn, due to improving order finalization in domestic market and large order wins in international markets. Order book (OB) stands strong at Rs3.6trn (2.2x TTM revenue). Tender prospects for 9MFY23 stands at Rs7.6trn comprising of domestic (Rs 6.1trn) and international market (Rs1.5trn). Net working capital (NWC) to sales improved to 20.9% vs 22.9% in Q1FY22, owing to better collections during the quarter. Hyderabad metro performance is expected to improve in FY23, on back of improved ridership, assistance from Telangana government and refinancing of debt. Given healthy OB and tender prospects, management maintained its revenue and order inflows growth guidance of 12-15%, with core EBITDA margin of ~9.5% for FY23. NWC to sales to be ~20% (20-22% guided earlier).

We believe that L&T is well-placed to benefit from overall diversified tender prospects with better order conversion in domestic market, significant traction in capex from oil exporting countries and expected uptick in private capex. Given companies focus on diversification of non-core assets, prudent working capital management, diversification into new business (hydrogen, green EPC), improving operational performance of Hyderabad Metro and continued execution momentum, we revised upwards our estimate by 0.7/3.9% for FY23/24. The stock is currently trading at PE of 23x/20x FY23/FY24E. We maintain our 'Buy' rating on stock with revise TP of Rs2,030 (Rs2,091 earlier), factoring in revised valuation for subsidiary businesses.

Infrastructure segment drives revenue: Consolidated sales came in at ~Rs358.5bn (up 22.2% YoY; PLe ~Rs347bn), driven by revenue growth in segments such as Infrastructure (up 36.6% YoY), IT & Technology services (up 30.5% YoY), Development Projects (up 19.5% YoY), Hi-Tech Manufacturing (up 5.2% YoY), Energy Projects (up 2.4% YoY) and others (up 19.4% YoY). EBITDA came in at Rs39.6bn (up 24.8% YoY) (PLe ~Rs37.1bn), with EBITDA margins coming in at 11% vs 10.8% in Q1FY22. The consolidated Adj. PAT for Q1FY23 came in at Rs17bn (up 44.9% YoY) (PLe Rs15.6bn).

Order book stands healthy at Rs3.6trn: Order inflows came in at Rs418bn (up 57% YoY), mainly driven by order win in infrastructure segment (up 66% YoY), aided by pickup in domestic order finalization. Order book stands strong at Rs3.6trn (2.2x TTM revenue). Off total OB, exports accounts for 28%.

Exhibit 1: Infrastructure and IT&TS businesses drive revenue growth

Y/e March (Rs mn)	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	YoY gr. (%)	QoQ gr. (%)	FY22	FY21	YoY gr. (%)
Revenue	293,347	347,729	395,629	528,507	358,532	22.2	(32.2)	1,565,212	1,359,790	15.1
Total Revenues	293,347	347,729	395,629	528,507	358,532	22.2	(32.2)	1,565,212	1,359,790	15.1
Expenditure	261,632	307,780	350,325	463,302	318,965	21.9	(31.2)	1,383,039	1,203,549	14.9
as % of sales	89.2	88.5	88.5	87.7	89.0			88.4	88.5	
Consumption of RM	154,811	197,431	238,360	347,927	195,207	26.1	(43.9)	937,860	790,099	18.7
as % of sales	52.8	56.8	60.2	65.8	54.4			59.9	58.1	
Employee Cost	68,718	72,520	76,337	79,746	85,560	24.5	7.3	297,335	247,620	20.1
as % of sales	23.4	20.9	19.3	15.1	23.9			19.0	18.2	
Other expenditure	38,104	37,830	35,629	35,628	38,199	0.3	7.2	147,844	165,830	(10.8)
as % of sales	13.0	10.9	9.0	6.7	10.7			9.4	12.2	
EBITDA	31,715	39,949	45,304	65,205	39,567	24.8	(39.3)	182,173	156,241	16.6
Depreciation	7,174	7,288	7,325	7,694	9,634	34.3	25.2	29,480	29,042	1.5
EBIT	24,541	32,661	37,980	57,512	29,933	22.0	(48.0)	152,694	127,199	20.0
Other Income	6,480	5,321	5,714	5,156	6,947	7.2	34.7	22,671	34,294	(33.9)
Interest	8,275	7,793	8,138	7,051	7,561	(8.6)	7.2	31,257	39,134	(20.1)
Exceptional Items	-	(969)	-	-	-			(969)	35,560	
PBT	22,746	31,159	35,556	55,616	29,319	28.9	(47.3)	145,077	86,798	67.1
Total Tax	7,184	8,845	10,587	15,550	6,389	(11.1)	(58.9)	42,166	40,108	5.1
PAT before Minority interest	15,562	22,313	24,969	40,067	22,930	47.3	(42.8)	102,911	46,690	120.4
Minority Interest	(3,572)	(4,125)	(4,624)	(5,178)	(5,263)	-	-	(17,499)	(13,384)	-
PAT after MI	11,990	18,188	20,345	34,889	17,668	47.4	(49.4)	85,411	33,306	156.4
Share in profit/(loss) after tax of joint ventures/associates (net)	(245)	6	203	1,318	(647)			1,282	144	
PAT From Continued Operation	11,744	18,195	20,547	36,207	17,021	44.9	(53.0)	86,693	33,450	159.2
Adjusted PAT from continued operation	11,744	17,500	20,547	36,207	17,021	44.9	(53.0)	86,006	52,578	63.6
Adjusted EPS	8.4	12.5	14.6	25.8	12.1	44.9	(53.0)	61.3	37.5	63.6
Margins (%)	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	bps	bps	FY22	FY21	bps
EBIDTA	10.8	11.5	11.5	12.3	11.0	22	(130)	11.6	11.5	15
EBIT	8.4	9.4	9.6	10.9	8.3	(2)	(253)	9.8	9.4	40
EBT	7.8	9.0	9.0	10.5	8.2	42	(235)	9.3	6.4	289
PAT	4.0	5.2	5.2	6.9	4.7	74	(210)	5.5	2.5	308
Effective Tax rate	31.6	28.4	29.8	28.0	21.8	(979)	(617)	29.1	46.2	(1,714)

Source: Company, PL

Exhibit 2: Segmental performance

Segment wise	Q1FY22	Q4FY22	Q1FY23	YoY gr. (%)	QoQ gr. (%)
Infrastructure Projects	105,435	302,412	144,005	36.6	-52.4
Energy Projects	49,659	67,779	50,875	2.4	-24.9
Hi-Tech Manufacturing	13,198	18,633	13,881	5.2	-25.5
IT & Technology Services	72,487	88,135	94,602	30.5	7.3
Financial Services	30,614	29,634	29,581	-3.4	-0.2
Development Projects	11,263	10,958	13,454	19.5	22.8
Others	13,662	19,107	16,319	19.4	-14.6
Total	296,318	536,657	362,717	22.4	-32.4
Less: Inter-segment revenue	2,970	8,150	4,185	40.9	-48.6
Net segment revenue	293,347	528,507	358,532	22.2	-32.2
Segment EBIT					
Infrastructure Projects	5,567	25,392	6,862	23.3	-73.0
Energy Projects	3,209	5,377	3,797	18.3	-29.4
Hi-Tech Manufacturing	1,974	3,804	1,503	-23.9	-60.5
IT & Technology Services	13,589	17,622	17,749	30.6	0.7
Financial Services	2,338	4,803	3,556	52.1	-26.0
Development Projects	(907)	(564)	(211)	-76.7	-62.6
Others	2,015	3,520	2,516	24.9	-28.5
Total	27,785	59,953	35,771	28.7	-40.3
Segment EBIT margin					
Infrastructure Projects	5.3	8.4	4.8		
Energy Projects	6.5	7.9	7.5		
Hi-Tech Manufacturing	15.0	20.4	10.8		
IT & Technology Services	18.7	20.0	18.8		
Financial Services	7.6	16.2	12.0		
Development Projects	-8.1	-5.1	-1.6		
Others	14.7	18.4	15.4		

Source: Company, PL

Exhibit 3: SoTP Valuation

	Earnings / Book (Rs mn)	Valuation basis	Target multiple (x)	Stake (%)	Value (Rs bn)	Fair Value (Rs)	Basis
L&T Core Business	99,286	P/E	20	100	1,985,720	1,413	20x FY24 EPS
L&T Finance Holdings	217,327	Mcap		64	111,028	79	20% discount to Tgt MKt cap
L&T Infotech	749,052	Mcap		75	448,233	319	20% discount to Tgt MKt cap
L&T Technology Services	335,923	Mcap		75	201,473	143	20% discount to Tgt MKt cap
Mindtree	516,027	Mcap		60	247,693	176	20% discount to Tgt MKt cap
L&T IDPL	10,215	P/B	1	100	10,215	7	1x equity investment
L&T Power development	24,447	P/B	1	100	24,447	17	1x equity investment
L&T Hyderabad Metro	24,390	P/B	1	100	24,390	17	1x equity investment
Other Business	15,133	P/B	1	100	15,133	11	1x equity investment
Total subsidiaries				20% holding co. disc.	866,090	616	
Grand total						2,030	

Source: Company, PL

Conference Call Highlights

- Tender prospects for 9MFY22 stands at Rs7.6trn comprising of domestic (Rs 6.1trn) and international market (Rs1.5trn).
 - Tender prospects from Infrastructure stands at Rs5.6trn and Energy projects Rs1.6trn.
- **Order inflow:** Projects and manufacturing order inflows grew 85% in Q1FY23 to Rs282bn from segments such as defense, hydrocarbon and infrastructure. International order inflows in projects business stood at ~33% vs 15% in Q1FY22.
 - Middle East is witnessing traction in infrastructure and hydrocarbon segment on account of higher crude prices.
 - Improvement was witnessed in domestic tendering and awarding activity.
 - Award to tender ratio improved to 70% in Q1FY23 vs 39% in Q1FY22.
- **Order book (OB):** OB stands healthy at Rs3.6trn, comprising of international Rs1trn. Slow moving OB is ~3%.
 - OB breakup – Central 11%, State 30%, PSU 42% and private 17%.
- **Net Working Capital:** Working capital to sales improved to 20.9% as on Q1FY23 vs 22.9% in Q1FY22 owing to better customer collections. Management had guided for NWC to sales to be ~20% for FY23 (20-22% guided earlier).
- **Guidance:** Given the healthy order prospects and order book, management maintained its revenue and order inflow guidance of 12-15%, with core EBITDA margin of ~9.5%, for FY23.
- **Segment wise**
 - **Infrastructure:** Order inflows came in at Rs183bn (up 66% YoY), driven by order win in metros, mining & minerals, building & factory, data center and power T&D. Margins were impacted (6.5% in Q1FY23 vs 7.1% in Q1FY22) due to higher commodity prices and change in job mix. Order prospects from segment stands at Rs5.61trn (domestic – Rs4.76trn and international Rs0.85trn).
 - **Energy Projects (Hydrocarbon and Power):** Order inflow growth was driven by large order wins in hydrocarbon segment from Middle East, while ordering activity was subdued in thermal business. On execution front, opening order book drives healthy execution in Power business, whereas Hydrocarbon revenues were impacted due to client delays and supply chain issues. Tender prospects from segment stands at Rs1.6trn. Off the total order book of Rs654bn, international accounts for 58%.
 - **Hi-Tech Manufacturing (Heavy Engineering and Defence Engineering):** Broad based pickup was witnessed in order inflows across Defence & Heavy Engineering businesses. Tender prospects stands at Rs300bn from the segment. Improved execution drives Heavy Engineering revenue, whereas

tapering of certain Shipbuilding jobs impacts Defence execution. Margins came down to 15.1% in Q1FY23 vs 19.2% in Q1FY22 (large year higher due to release of cost provisions on completion of a key project and recognition of customer claims).

- **Development Projects:** Revenue growth was driven by improved ridership in Metro & higher PLF in Nabha power. Hyderabad metro average ridership in Q1FY23 improved to 2,85,000/day vs 55,000 in Q1FY22 and 1,99,000 in Q4FY22. Hyderabad metro margins improved due to increased ridership and reported positive EBITDA in Q1FY23 vs loss in Q1FY22. Going forward, improved ridership, government assistance (long term interest free loan) and refinancing likely to improve performance.

Financials

Income Statement (Rs m)

Y/e Mar	FY21	FY22	FY23E	FY24E
Net Revenues	13,59,790	15,65,212	17,25,662	19,19,458
YoY gr. (%)	(6.5)	15.1	10.3	11.2
Cost of Goods Sold	4,37,101	5,26,910	5,84,999	6,46,857
Gross Profit	9,22,689	10,38,302	11,40,663	12,72,601
Margin (%)	67.9	66.3	66.1	66.3
Employee Cost	2,47,620	2,97,335	3,18,149	3,40,419
Other Expenses	1,29,836	1,63,226	1,39,779	1,53,557
EBITDA	1,56,241	1,82,173	2,08,178	2,41,177
YoY gr. (%)	(4.3)	16.6	14.3	15.9
Margin (%)	11.5	11.6	12.1	12.6
Depreciation and Amortization	29,042	29,480	32,737	36,781
EBIT	1,27,199	1,52,694	1,75,441	2,04,396
Margin (%)	9.4	9.8	10.2	10.6
Net Interest	39,134	31,257	37,965	46,067
Other Income	34,294	22,671	27,611	30,327
Profit Before Tax	86,798	1,45,077	1,65,087	1,88,656
Margin (%)	6.4	9.3	9.6	9.8
Total Tax	40,108	42,166	45,399	51,880
Effective tax rate (%)	46.2	29.1	27.5	27.5
Profit after tax	46,690	1,02,911	1,19,688	1,36,776
Minority interest	13,384	17,499	13,999	15,399
Share Profit from Associate	(144)	(1,282)	(1,346)	(1,481)
Adjusted PAT	52,578	86,006	1,07,035	1,22,857
YoY gr. (%)	(40.9)	63.6	24.5	14.8
Margin (%)	3.9	5.5	6.2	6.4
Extra Ord. Income / (Exp)	(19,128)	688	-	-
Reported PAT	33,450	86,693	1,07,035	1,22,857
YoY gr. (%)	(62.4)	159.2	23.5	14.8
Margin (%)	2.5	5.5	6.2	6.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	33,450	86,693	1,07,035	1,22,857
Equity Shares O/s (m)	1,405	1,405	1,405	1,405
EPS (Rs)	37.4	61.2	76.2	87.4

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY21	FY22	FY23E	FY24E
Non-Current Assets				
Gross Block	4,90,074	4,84,760	5,09,760	5,34,760
Tangibles	1,96,092	2,02,018	2,27,018	2,52,018
Intangibles	2,93,983	2,82,742	2,82,742	2,82,742
Acc: Dep / Amortization	82,229	96,229	1,28,966	1,65,747
Tangibles	82,229	96,229	1,28,966	1,65,747
Intangibles	-	-	-	-
Net fixed assets	4,07,846	3,88,531	3,80,794	3,69,013
Tangibles	1,13,863	1,05,789	98,052	86,271
Intangibles	2,93,983	2,82,742	2,82,742	2,82,742
Capital Work In Progress	3,884	11,703	11,703	11,703
Goodwill	-	-	-	-
Non-Current Investments	6,64,873	6,29,266	7,23,667	8,19,200
Net Deferred tax assets	15,183	18,008	18,008	18,008
Other Non-Current Assets	59,497	60,776	72,478	80,617
Current Assets				
Investments	3,10,112	2,97,925	2,97,925	2,97,925
Inventories	58,205	59,433	61,462	68,364
Trade receivables	4,22,298	4,61,389	4,86,968	5,41,655
Cash & Bank Balance	1,62,415	1,89,532	1,92,072	2,07,218
Other Current Assets	5,47,977	6,09,637	6,17,787	6,33,421
Total Assets	30,85,767	31,72,088	33,15,961	35,18,578
Equity				
Equity Share Capital	2,809	2,810	2,810	2,810
Other Equity	7,55,876	8,21,267	9,14,196	10,20,257
Total Networkth	7,58,685	8,24,077	9,17,006	10,23,068
Non-Current Liabilities				
Long Term borrowings	10,48,394	9,29,913	6,16,183	6,16,183
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	2,77,658	3,04,770	6,33,499	6,48,499
Trade payables	4,55,046	5,11,442	5,57,885	6,04,761
Other current liabilities	4,40,651	4,90,234	4,79,734	5,14,415
Total Equity & Liabilities	30,85,767	31,72,088	33,15,961	35,18,578

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY21	FY22	FY23E	FY24E
PBT	2,30,263	1,44,107	1,65,087	1,88,656
Add. Depreciation	29,042	29,480	32,737	36,781
Add. Interest	39,134	31,257	37,965	46,067
Less Financial Other Income	34,294	22,671	27,611	30,327
Add. Other	(1,34,990)	(15,253)	-	-
Op. profit before WC changes	1,63,450	1,89,591	2,35,789	2,71,504
Net Changes-WC	99,702	47,566	(31,091)	(59,557)
Direct tax	(34,710)	(45,521)	(45,399)	(51,880)
Net cash from Op. activities	2,28,441	1,91,636	1,59,299	1,60,066
Capital expenditures	(27,956)	(51,961)	(1,07,035)	(83,139)
Interest / Dividend Income	14,790	11,295	-	-
Others	(41,122)	3,989	-	-
Net Cash from Invt. activities	(54,288)	(36,677)	(1,07,035)	(83,139)
Issue of share cap. / premium	159	110	-	-
Debt changes	(87,325)	(84,132)	15,000	15,000
Dividend paid	(36,509)	(25,284)	(26,759)	(30,714)
Interest paid	(31,844)	(4,072)	(37,965)	(46,067)
Others	2,757	(37,614)	-	-
Net cash from Fin. activities	(1,52,762)	(1,50,992)	(49,723)	(61,781)
Net change in cash	21,391	3,967	2,540	15,146
Free Cash Flow	2,10,364	1,60,530	1,34,299	1,35,066

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY22	Q3FY22	Q4FY22	Q1FY23
Net Revenue	3,47,729	3,95,629	5,28,507	3,58,532
YoY gr. (%)	12.0	11.1	9.9	22.2
Raw Material Expenses	1,97,431	2,38,360	3,47,927	1,95,207
Gross Profit	1,50,299	1,57,270	1,80,579	1,63,325
Margin (%)	43.2	39.8	34.2	45.6
EBITDA	39,949	45,304	65,205	39,567
YoY gr. (%)	19.8	5.9	2.1	24.8
Margin (%)	11.5	11.5	12.3	11.0
Depreciation / Depletion	7,288	7,325	7,694	9,634
EBIT	32,661	37,980	57,512	29,933
Margin (%)	9.4	9.6	10.9	8.3
Net Interest	7,793	8,138	7,051	7,561
Other Income	5,321	5,714	5,156	6,947
Profit before Tax	31,159	35,556	55,617	29,319
Margin (%)	9.0	9.0	10.5	8.2
Total Tax	8,845	10,587	15,550	6,389
Effective tax rate (%)	28.4	29.8	28.0	21.8
Profit after Tax	22,313	24,969	40,067	22,930
Minority interest	4,125	4,624	5,178	5,263
Share Profit from Associates	6	203	1,318	(647)
Adjusted PAT	17,500	20,547	36,207	17,021
YoY gr. (%)	(34.9)	(9.0)	6.0	44.9
Margin (%)	5.0	5.2	6.9	4.7
Extra Ord. Income / (Exp)	694	-	-	-
Reported PAT	18,195	20,547	36,207	17,021
YoY gr. (%)	(169.3)	(9.0)	6.0	44.9
Margin (%)	5.2	5.2	6.9	4.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	18,195	20,547	36,207	17,021
Avg. Shares O/s (m)	1,404	1,404	1,404	1,404
EPS (Rs)	12.5	14.6	25.8	12.1

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY21	FY22	FY23E	FY24E
Per Share(Rs)				
EPS	37.4	61.2	76.2	87.4
CEPS	58.1	82.2	99.5	113.6
BVPS	540.2	586.5	652.7	728.1
FCF	149.8	114.3	95.6	96.1
DPS	36.0	22.0	19.0	21.9
Return Ratio(%)				
RoCE	6.1	7.4	8.3	9.2
ROIC	4.3	6.8	7.8	8.6
RoE	7.4	10.9	12.3	12.7
Balance Sheet				
Net Debt : Equity (x)	1.1	0.9	0.8	0.7
Net Working Capital (Days)	7	2	(2)	1
Valuation(x)				
PER	46.8	28.6	23.0	20.0
P/B	3.2	3.0	2.7	2.4
P/CEPS	58.1	82.2	99.5	113.6
EV/EBITDA	21.2	17.6	15.5	13.4
EV/Sales	2.4	2.0	1.9	1.7
Dividend Yield (%)	2.1	1.3	1.1	1.2

Source: Company Data, PL Research

Price Chart Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	05-Jul-22	BUY	2,091	1,582
2	13-May-22	BUY	2,091	1,526
3	08-Apr-22	BUY	2,357	1,826
4	31-Jan-22	BUY	2,382	1,898
5	11-Jan-22	BUY	2,201	1,953
6	28-Oct-21	BUY	2,201	1,814
7	05-Oct-21	BUY	1,855	1,717

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	Hold	2,293	2,362
2	Apar Industries	UR	-	941
3	Bharat Electronics	BUY	295	269
4	BHEL	Sell	36	46
5	Cummins India	Accumulate	1,087	1,052
6	Engineers India	BUY	89	60
7	GE T&D India	Hold	102	101
8	Kalpataru Power Transmission	BUY	421	357
9	KEC International	Accumulate	451	397
10	Larsen & Toubro	BUY	2,091	1,582
11	Siemens	Accumulate	2,602	2,522
12	Thermax	Accumulate	2,181	2,049
13	Triveni Turbine	BUY	240	154
14	Voltamp Transformers	UR	-	2,972

PL's Recommendation Nomenclature (Absolute Performance)

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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