

November 8, 2023

## Q2FY24 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY24E	FY25E	FY24E	FY25E
<b>Rating</b>	<b>ACCUMULATE</b>		<b>ACCUMULATE</b>	
<b>Target Price</b>	<b>415</b>		<b>474</b>	
Sales (Rs.m)	13,461	15,617	15,136	17,318
% Chng.	(11.1)	(9.8)		
EBITDA (Rs.m)	1,572	2,323	2,258	2,808
% Chng.	(30.4)	(17.3)		
EPS (Rs.)	10.3	17.2	16.7	21.6
% Chng.	(38.5)	(20.0)		

### Key Financials - Consolidated

Y/e Mar	FY23	FY24E	FY25E	FY26E
Sales (Rs. m)	13,640	13,461	15,617	17,873
EBITDA (Rs. m)	1,893	1,572	2,323	2,921
Margin (%)	13.9	11.7	14.9	16.3
PAT (Rs. m)	1,233	936	1,569	2,028
EPS (Rs.)	13.5	10.3	17.2	22.3
Gr. (%)	13.8	(24.1)	67.6	29.2
DPS (Rs.)	1.0	1.0	1.7	3.3
Yield (%)	0.3	0.3	0.4	0.9
RoE (%)	15.5	8.4	12.8	14.6
RoCE (%)	17.2	10.2	14.9	17.1
EV/Sales (x)	2.5	2.5	2.1	1.8
EV/EBITDA (x)	18.3	21.6	14.4	11.2
PE (x)	29.0	38.2	22.8	17.6
P/BV (x)	3.3	3.1	2.7	2.4

### Key Data

HRSH.BO | HARSHA IN

52-W High / Low	Rs.494 / Rs.309
Sensex / Nifty	64,942 / 19,407
Market Cap	Rs.36bn/ \$ 430m
Shares Outstanding	91m
3M Avg. Daily Value	Rs.58.9m

### Shareholding Pattern (%)

Promoter's	74.61
Foreign	1.81
Domestic Institution	10.02
Public & Others	13.56
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(5.9)	(6.4)	(3.9)
Relative	(4.3)	(12.0)	(9.5)

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# Harsha Engineers International (HARSHA IN)

Rating: ACCUMULATE | CMP: Rs393 | TP: Rs415

## Subdued quarter as margins decline sharply

### Quick Pointers:

- Soft demand in Europe & China leads to underperformance of foreign subsidiaries and India's export business.
- High share of Solar EPC business in overall mix resulted in lower gross margin.

**We revise our FY24E/FY25E EPS estimate by -38.5%/-20.0% to factor in continued demand softness in Europe & China and delays in the expected turnaround in Romania & China subsidiaries. Harsha Engineers International (HARSHA) reported a 5.4% YoY rise in revenue as robust growth in Solar EPC cushioned the fall in Engineering. EBITDA margin contracted by 451bps YoY, led by a sharp decline in gross margin due to higher share of Solar EPC in the mix. Despite a minor slowdown in India Engineering business, visibility is healthy for the medium to long-term. Although a revival is expected by Q4, Romania & China businesses are expected to report losses for the full year.**

**HARSHA's long term outlook remains positive given its 1) market leadership in bearing cages, 2) turnaround in Romania & China, 3) greenfield capacity expansion plans, and 4) multiple levers for long-term growth viz. i) bearing cage outsourcing, ii) significant capex by global bearing customers in India, iii) growing opportunity in large-size cages, iv) Japan wallet share gains, and v) long-term demand for bronze bushes. The stock is currently trading at a PE of 22.8x/17.6x FY25/26E. We roll forward to Sep-25E and maintain 'Accumulate' rating with a revised TP of Rs415 (Rs474 earlier), valuing it at 21x on Sep-25E EPS (22x FY25E earlier).**

**Weak quarterly performance as margins decline sharply:** Consolidated revenue rose 5.4% YoY to Rs3.4bn (PL estimate of Rs3.7bn), aided by a sharp jump in Solar EPC revenue to Rs419mn (vs Rs38mn in Q2FY23), while demand in Europe & China remains soft. Gross margin declined by 628bps YoY to 42.0%, as share of lower margin Solar EPC business increased to 12% of the revenue mix (vs 1% in Q2FY23). EBITDA fell 26.5% YoY to Rs352mn (PL estimate of Rs516mn), with EBITDA margin contracting 451bps to 10.4%, as a 223bps YoY reduction in other expenses as a % of sales partially offset the gross margin decline. PAT slid 27.4% YoY to Rs204mn, (PL estimate of Rs347mn), on the back of continued losses in foreign subsidiaries (Rs85mn loss), lower profitability in India Engineering (PAT down 4.8% YoY to Rs279mn), and a higher effective tax rate (31.2% vs 25.5% in Q2FY23). This was partially offset by higher other income (up 55.7% YoY to Rs67mn) and lower interest costs (down 55.6% YoY to Rs25mn).

**Decline in engineering business across geographies:** Consolidated Engineering revenue slid 6.5% YoY to Rs3.0bn, with India Engineering declining by 5.0% YoY to Rs2.3bn and International (Romania & China) Engineering falling 10.8% YoY to Rs711mn. In terms of EBITDA margins (including other income), consolidated Engineering came in at 13.6% (-258bps YoY), India Engineering at 19.8% (-102bps YoY), and International Engineering at -6.0% (vs +2.5% in Q2FY23). Solar EPC margin fell to 3.2% (vs a high base of +18.2% in Q2FY23).

**Exhibit 1: Continued weakness in Europe & China led to lower revenue and profitability during the quarter**

Y/e March (Rs mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY gr. (%)	QoQ gr. (%)	H1FY24	H1FY23	YoY gr. (%)
<b>Revenue</b>	<b>3,220</b>	<b>3,007</b>	<b>3,437</b>	<b>3,480</b>	<b>3,395</b>	<b>5.4</b>	<b>(2.4)</b>	<b>6,875</b>	<b>7,197</b>	<b>(4.5)</b>
<b>Total Revenues</b>	<b>3,220</b>	<b>3,007</b>	<b>3,437</b>	<b>3,480</b>	<b>3,395</b>	<b>5.4</b>	<b>(2.4)</b>	<b>6,875</b>	<b>7,197</b>	<b>(4.5)</b>
Expenditure	2,740	2,597	2,929	3,061	3,043	11.0	(0.6)	6,104	6,222	(1.9)
as % of sales	85.1	86.4	85.2	88.0	89.6			88.8	86.5	
Consumption of RM	1,667	1,521	1,837	1,921	1,971	18.2	2.6	3,892	4,001	(2.7)
as % of sales	51.8	50.6	53.4	55.2	58.0			56.6	55.6	
Employee Cost	378	387	407	434	415	9.6	(4.5)	849	768	10.5
as % of sales	11.8	12.9	11.8	12.5	12.2			12.3	10.7	
Other expenditure	695	689	685	706	657	(5.5)	(6.9)	1,363	1,453	(6.2)
as % of sales	21.6	22.9	19.9	20.3	19.4			19.8	20.2	
<b>EBITDA</b>	<b>480</b>	<b>410</b>	<b>508</b>	<b>418</b>	<b>352</b>	<b>(26.5)</b>	<b>(15.7)</b>	<b>771</b>	<b>975</b>	<b>(20.9)</b>
Depreciation	90	92	92	96	98	8.9	2.1	193	178	8.7
<b>EBIT</b>	<b>390</b>	<b>318</b>	<b>417</b>	<b>323</b>	<b>255</b>	<b>(34.6)</b>	<b>(21.0)</b>	<b>577</b>	<b>797</b>	<b>(27.6)</b>
Other Income	43	135	58	40	67	55.7	66.3	107	105	1.7
Interest	56	23	26	26	25	(55.6)	(5.3)	51	110	(53.6)
<b>PBT</b>	<b>377</b>	<b>430</b>	<b>449</b>	<b>336</b>	<b>297</b>	<b>(21.3)</b>	<b>(11.9)</b>	<b>633</b>	<b>792</b>	<b>(20.1)</b>
Total Tax	96	113	123	91	93	(3.6)	2.2	183	203	(9.6)
<b>Adjusted PAT</b>	<b>281</b>	<b>317</b>	<b>326</b>	<b>246</b>	<b>204</b>	<b>(27.4)</b>	<b>(17.0)</b>	<b>450</b>	<b>589</b>	<b>(23.7)</b>
(Profit)/loss from MI	-	-	-	-	-	-	-	-	-	-
<b>PAT after MI</b>	<b>281</b>	<b>317</b>	<b>326</b>	<b>246</b>	<b>204</b>	<b>(27.4)</b>	<b>(17.0)</b>	<b>450</b>	<b>589</b>	<b>(23.7)</b>
Extra ordinary items	-	-	-	-	-	-	-	-	-	-
<b>Reported PAT</b>	<b>281</b>	<b>317</b>	<b>326</b>	<b>246</b>	<b>204</b>	<b>(27.4)</b>	<b>(17.0)</b>	<b>450</b>	<b>589</b>	<b>(23.7)</b>
<b>Adjusted EPS</b>	<b>3.6</b>	<b>3.5</b>	<b>3.6</b>	<b>2.7</b>	<b>2.2</b>	<b>(37.1)</b>	<b>(17.0)</b>	<b>4.9</b>	<b>7.6</b>	<b>(34.6)</b>
<b>Margins (%)</b>	<b>Q2FY23</b>	<b>Q3FY23</b>	<b>Q4FY23</b>	<b>Q1FY24</b>	<b>Q2FY24</b>	<b>bps</b>	<b>bps</b>	<b>H1FY24</b>	<b>H1FY23</b>	<b>bps</b>
EBITDA	14.9	13.6	14.8	12.0	10.4	(451)	(164)	11.2	13.5	(233)
EBIT	12.1	10.6	12.1	9.3	7.5	(460)	(177)	8.4	11.1	(268)
EBT	11.7	14.3	13.1	9.7	8.7	(297)	(93)	9.2	11.0	(180)
PAT	8.7	10.6	9.5	7.1	6.0	(271)	(106)	6.5	8.2	(165)
Effective Tax rate	25.5	26.2	27.4	26.9	31.2	573	430	28.9	25.6	335

Source: Company, PL



Exhibit 2: Revenue decline in Engineering business was offset by robust growth in Solar EPC business

Segmental Performance	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	YoY gr. (%)	QoQ gr. (%)	H1FY24	H1FY23	YoY gr. (%)
<b>Engineering &amp; Others - Consolidated</b>										
Revenue	3,182	2,972	3,248	3,310	2,976	(6.5)	(10.1)	6,286	6,767	(7.1)
EBITDA	515	549	565	488	405	(21.3)	(16.9)	893	1,067	(16.4)
EBITDA margin (%)	16.2	18.5	17.4	14.7	13.6	(258)	(111)	14.2	15.8	(157)
PBT	372	435	449	368	284	(23.8)	(22.9)	652	786	(17.0)
PBT margin (%)	11.7	14.7	13.8	11.1	9.5	(217)	(158)	10.4	11.6	(124)
PAT	277	321	326	270	194	(29.9)	(27.9)	464	584	(20.5)
PAT margin (%)	8.7	10.8	10.1	8.1	6.5	(218)	(162)	7.4	8.6	(125)
<b>Engineering &amp; Others - India</b>										
Revenue	2,385	2,229	2,288	2,392	2,265	(5.0)	(5.3)	4,657	5,076	(8.3)
EBITDA	496	505	563	498	448	(9.7)	(10.1)	946	998	(5.2)
EBITDA margin (%)	20.8	22.6	24.6	20.8	19.8	(102)	(106)	20.3	19.7	66
PBT	394	432	491	421	375	(4.8)	(10.8)	796	799	(0.4)
PBT margin (%)	16.5	19.4	21.4	17.6	16.6	4	(103)	17.1	15.7	134
PAT	293	319	368	321	279	(4.8)	(13.0)	600	594	0.9
PAT margin (%)	12.3	14.3	16.1	13.4	12.3	3	(110)	12.9	11.7	117
<b>Engineering &amp; Others - Romania + China</b>										
Revenue	797	743	960	918	711	(10.8)	(22.6)	1,629	1,691	(3.7)
EBITDA	20	44	2	(11)	(42)	(316.3)	300.0	(53)	70	(176.0)
EBITDA margin (%)	2.5	6.0	0.2	(1.2)	(6.0)	(842)	(481)	(3.3)	4.1	(738)
PBT	(22)	3	(42)	(53)	(91)	n/a	n/a	(144)	(13)	n/a
PBT margin (%)	(2.7)	0.4	(4.3)	(5.7)	(12.8)	(1,012)	(711)	(8.8)	(0.8)	(804)
PAT	(16)	2	(42)	(51)	(85)	n/a	n/a	(136)	(11)	n/a
PAT margin (%)	(2.0)	0.3	(4.4)	(5.6)	(11.9)	(991)	(635)	(8.4)	(0.6)	(772)
<b>Solar-EPC and O&amp;M</b>										
Revenue	38	35	189	170	419	1,002.1	146.5	589	430	37.1
EBITDA	7	(4)	2	(29)	14	97.1	n/a	(16)	12	(230.8)
EBITDA margin (%)	18.2	(10.9)	0.8	(17.2)	3.2	(1,491)	2,049	(2.7)	2.8	(546)
PBT	5	(5)	0	(32)	13	182.2	n/a	(19)	6	n/a
PBT margin (%)	11.8	(14.9)	0.1	(18.6)	3.0	(881)	2,163	(3.2)	1.4	(465)
PAT	4	(4)	(0)	(24)	10	162.2	n/a	(14)	6	n/a
PAT margin (%)	9.7	(11.2)	(0.1)	(13.9)	2.3	(742)	1,627	(2.4)	1.3	(371)

Source: Company, PL

## Conference Call Highlights

- **Quarter was disappointing for both top line and bottom line**, led by continued weakness in European & Chinese markets.
- **Overall, slight de-growth is expected in FY24 vs FY23**; FY25 will be more promising as it returns to the normal growth track.
- **Gross margin declined due to higher share of Solar EPC business**, which incurs 75-80% raw material costs.
- **Lower industrial demand led to weak sales in Romania**, with fixed overheads causing a sharp negative impact on the bottom line.
  - **Demand from the wind market should revive in Q4**, which will lead to significant improvement in H2. However, profitability in Romania will still be negative for the full year.
- **Offtake of cages from key global customers in China was abnormally low** due to a soft Chinese market. Q3 should see some improvement and Q4 should normalize, leading to breakeven even by year-end.
- **India Engineering saw a mild dip in offtake** due to a flattish Indian market (as customers experienced soft export demand), along with slowdown in Europe, China and industrial demand in India.
- **Initiated Phase-1 of greenfield capacity expansion plan** via Harsha Advantek, which will involve capex of ~Rs1.2bn primarily on land & building
  - Setting up a manufacturing lines for bronze bushings, large size steel bearing cages, and stamping components. This will add ~Rs800-900mn of revenue potential in bronze bushings.
  - New facility is expected to be commissioned by Q3FY25E.
- **~18%YoY growth in H1FY24 in sales to Japanese customers was not optimal** as growth should be higher at ~30%. However, the medium to long-term view is positive with growth expected to be faster than the company.
- **Precision stamped components business grew 10-15% in H1FY24**, which was softer than expectations. This should see higher growth by year-end.
- **Bronze bushings revenue came in at Rs200mn in H1FY24**; on track for guided range of Rs400-450mn for the full year as demand revives in H2.
- **Favorable government policy on renewables led to growth in Solar EPC.** Business is seeing traction in many small projects with low working capital requirements; will not increase capital exposure to this business, and will restrict to smaller orders.
- **Seeing good demand in railways sector**, where HARSHA supplies multiple products including steel, brass & plastic bearing cages, seal inserts, etc., and is adding more products.

## Financials

### Income Statement (Rs m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
<b>Net Revenues</b>	<b>13,640</b>	<b>13,461</b>	<b>15,617</b>	<b>17,873</b>
YoY gr. (%)	3.2	(1.3)	16.0	14.4
Cost of Goods Sold	7,359	7,364	8,302	9,408
Gross Profit	6,282	6,097	7,315	8,465
Margin (%)	46.1	45.3	46.8	47.4
Employee Cost	1,562	1,705	1,861	2,032
Other Expenses	815	814	906	1,019
<b>EBITDA</b>	<b>1,893</b>	<b>1,572</b>	<b>2,323</b>	<b>2,921</b>
YoY gr. (%)	12.0	(16.9)	47.7	25.8
Margin (%)	13.9	11.7	14.9	16.3
Depreciation and Amortization	361	406	443	496
<b>EBIT</b>	<b>1,532</b>	<b>1,166</b>	<b>1,879</b>	<b>2,426</b>
Margin (%)	11.2	8.7	12.0	13.6
Net Interest	158	118	112	100
Other Income	298	217	353	414
<b>Profit Before Tax</b>	<b>1,671</b>	<b>1,265</b>	<b>2,121</b>	<b>2,740</b>
Margin (%)	12.3	9.4	13.6	15.3
Total Tax	438	329	551	712
Effective tax rate (%)	26.2	26.0	26.0	26.0
<b>Profit after tax</b>	<b>1,233</b>	<b>936</b>	<b>1,569</b>	<b>2,028</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>1,233</b>	<b>936</b>	<b>1,569</b>	<b>2,028</b>
YoY gr. (%)	34.1	(24.1)	67.6	29.2
Margin (%)	8.8	6.8	9.8	11.1
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>1,233</b>	<b>936</b>	<b>1,569</b>	<b>2,028</b>
YoY gr. (%)	34.1	(24.1)	67.6	29.2
Margin (%)	9.0	7.0	10.0	11.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,233	936	1,569	2,028
<b>Equity Shares O/s (m)</b>	<b>91</b>	<b>91</b>	<b>91</b>	<b>91</b>
<b>EPS (Rs)</b>	<b>13.5</b>	<b>10.3</b>	<b>17.2</b>	<b>22.3</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>7,864</b>	<b>9,057</b>	<b>10,223</b>	<b>11,322</b>
Tangibles	7,752	8,945	10,111	11,322
Intangibles	112	112	112	-
<b>Acc: Dep / Amortization</b>	<b>4,715</b>	<b>5,121</b>	<b>5,565</b>	<b>6,060</b>
Tangibles	4,616	5,018	5,457	6,060
Intangibles	99	103	108	-
<b>Net fixed assets</b>	<b>3,149</b>	<b>3,936</b>	<b>4,658</b>	<b>5,262</b>
Tangibles	3,136	3,927	4,654	5,262
Intangibles	13	9	4	-
Capital Work In Progress	116	135	62	71
Goodwill	718	718	718	718
Non-Current Investments	365	352	345	341
Net Deferred tax assets	(66)	(66)	(66)	(66)
Other Non-Current Assets	127	123	141	150
<b>Current Assets</b>				
Investments	1,610	1,800	2,150	2,500
Inventories	3,769	3,503	3,851	4,309
Trade receivables	2,804	2,766	3,081	3,428
Cash & Bank Balance	1,336	1,760	1,873	2,031
Other Current Assets	345	498	578	661
<b>Total Assets</b>	<b>14,451</b>	<b>15,753</b>	<b>17,643</b>	<b>19,686</b>
<b>Equity</b>				
Equity Share Capital	910	910	910	910
Other Equity	9,807	10,652	12,128	13,852
<b>Total Network</b>	<b>10,718</b>	<b>11,563</b>	<b>13,039</b>	<b>14,762</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	79	64	49	34
Provisions	84	102	102	102
Other non current liabilities	27	27	31	36
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	1,690	1,690	1,640	1,490
Trade payables	1,187	1,549	1,925	2,301
Other current liabilities	558	648	748	851
<b>Total Equity &amp; Liabilities</b>	<b>14,451</b>	<b>15,753</b>	<b>17,643</b>	<b>19,685</b>

Source: Company Data, PL Research



## Cash Flow (Rs m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
PBT	1,671	1,265	2,121	2,740
Add. Depreciation	361	406	443	496
Add. Interest	158	118	112	100
Less Financial Other Income	298	217	353	414
Add. Other	(152)	(207)	(267)	(300)
Op. profit before WC changes	2,039	1,582	2,409	3,035
Net Changes-WC	(338)	578	(286)	(427)
Direct tax	(375)	(329)	(551)	(712)
<b>Net cash from Op. activities</b>	<b>1,327</b>	<b>1,831</b>	<b>1,571</b>	<b>1,896</b>
Capital expenditures	(764)	(1,211)	(1,093)	(1,108)
Interest / Dividend Income	74	207	267	300
Others	(2,389)	(668)	(465)	(466)
<b>Net Cash from Invst. activities</b>	<b>(3,079)</b>	<b>(1,672)</b>	<b>(1,292)</b>	<b>(1,274)</b>
Issue of share cap. / premium	4,343	-	-	-
Debt changes	(2,027)	(15)	(65)	(165)
Dividend paid	-	(91)	(94)	(304)
Interest paid	(158)	(118)	(112)	(100)
Others	5	0	4	5
<b>Net cash from Fin. activities</b>	<b>2,163</b>	<b>(224)</b>	<b>(266)</b>	<b>(564)</b>
<b>Net change in cash</b>	<b>410</b>	<b>(65)</b>	<b>14</b>	<b>58</b>
Free Cash Flow	563	620	478	788

Source: Company Data, PL Research

## Key Financial Metrics

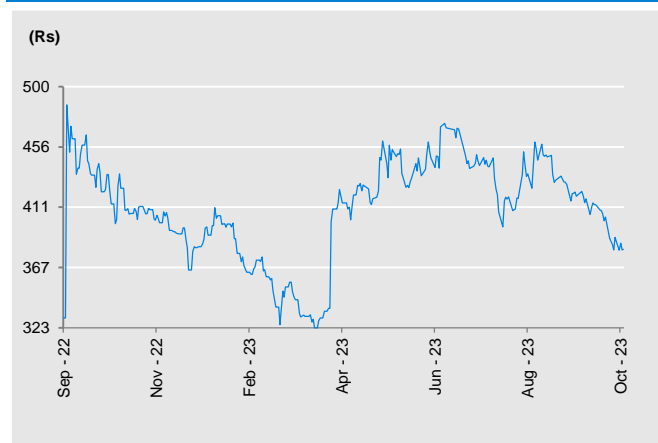
Y/e Mar	FY23	FY24E	FY25E	FY26E
<b>Per Share(Rs)</b>				
EPS	13.5	10.3	17.2	22.3
CEPS	17.5	14.7	22.1	27.7
BVPS	117.7	127.0	143.2	162.1
FCF	6.2	6.8	5.3	8.7
DPS	1.0	1.0	1.7	3.3
<b>Return Ratio(%)</b>				
RoCE	17.2	10.2	14.9	17.1
ROIC	18.9	10.9	16.2	18.6
RoE	15.5	8.4	12.8	14.6
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.1)	(0.2)	(0.2)	(0.2)
Net Working Capital (Days)	144	128	117	111
<b>Valuation(x)</b>				
PER	29.0	38.2	22.8	17.6
P/B	3.3	3.1	2.7	2.4
P/CEPS	22.4	26.7	17.8	14.2
EV/EBITDA	18.3	21.6	14.4	11.2
EV/Sales	2.5	2.5	2.1	1.8
Dividend Yield (%)	0.3	0.3	0.4	0.9

Source: Company Data, PL Research

## Quarterly Financials (Rs m)

Y/e Mar	Q3FY23	Q4FY23	Q1FY24	Q2FY24
<b>Net Revenue</b>	<b>3,007</b>	<b>3,437</b>	<b>3,480</b>	<b>3,395</b>
YoY gr. (%)	(18.5)	(13.6)	15.7	(1.2)
Raw Material Expenses	1,521	1,837	1,921	1,971
Gross Profit	1,486	1,600	1,558	1,424
Margin (%)	49.4	46.6	44.8	42.0
<b>EBITDA</b>	<b>410</b>	<b>508</b>	<b>418</b>	<b>352</b>
YoY gr. (%)	(14.9)	2.6	2.0	(30.6)
Margin (%)	13.6	14.8	12.0	10.4
Depreciation / Depletion	92	92	96	98
<b>EBIT</b>	<b>318</b>	<b>417</b>	<b>323</b>	<b>255</b>
Margin (%)	10.6	12.1	9.3	7.5
Net Interest	23	26	26	25
Other Income	135	58	40	67
<b>Profit before Tax</b>	<b>430</b>	<b>449</b>	<b>336</b>	<b>297</b>
Margin (%)	14.3	13.1	9.7	8.7
Total Tax	113	123	91	93
Effective tax rate (%)	26.2	27.4	26.9	31.2
<b>Profit after Tax</b>	<b>317</b>	<b>326</b>	<b>246</b>	<b>204</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>317</b>	<b>326</b>	<b>246</b>	<b>204</b>
YoY gr. (%)	5.7	5.7	(22.6)	(37.5)
Margin (%)	10.6	9.5	7.1	6.0
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>317</b>	<b>326</b>	<b>246</b>	<b>204</b>
YoY gr. (%)	5.7	5.7	(22.6)	(37.5)
Margin (%)	10.6	9.5	7.1	6.0
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>317</b>	<b>326</b>	<b>246</b>	<b>204</b>
Avg. Shares O/s (m)	91	91	91	91
<b>EPS (Rs)</b>	<b>3.5</b>	<b>3.6</b>	<b>2.7</b>	<b>2.2</b>

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	05-Oct-23	Accumulate	474	415
2	02-Aug-23	Accumulate	474	432
3	06-Jul-23	Accumulate	475	469
4	27-May-23	Accumulate	475	436
5	11-Apr-23	BUY	440	414
6	28-Feb-23	BUY	439	325

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	Accumulate	5,013	4,068
2	Apar Industries	Accumulate	5,630	5,165
3	Bharat Electronics	Accumulate	143	133
4	BHEL	Reduce	67	127
5	Carborundum Universal	BUY	1,408	1,076
6	Cummins India	Hold	1,788	1,691
7	Engineers India	Accumulate	165	143
8	GE T&D India	Hold	260	413
9	Grindwell Norton	BUY	2,604	2,092
10	Harsha Engineers International	Accumulate	474	415
11	Hindustan Aeronautics	BUY	2,266	1,889
12	Kalpataru Projects International	BUY	740	636
13	KEC International	Hold	645	615
14	Larsen & Toubro	BUY	3,437	2,929
15	Praj Industries	Accumulate	611	534
16	Siemens	Accumulate	4,241	3,559
17	Thermax	Hold	2,771	2,895
18	Triveni Turbine	Accumulate	450	392
19	Voltamp Transformers	Hold	5,079	4,989

**PL's Recommendation Nomenclature (Absolute Performance)**

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





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