

Oct-Dec'23 Earnings Preview

January 9, 2024

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
ABB India*	Acc	4,753	4,984
Apar Industries	Acc	5,950	5,776
Bharat Electronics	Acc	184	143
BHEL	UR	195	NA
Carborundum Universal	BUY	1,132	1,408
Engineers India	BUY	199	166
GE T&D India	UR	585	NA
Grindwell Norton	BUY	2,283	2,604
Harsha Engineers Int.	Acc	395	415
Hindustan Aeronautics	BUY	2,996	2,266
KEC International	HOLD	612	645
Cummins India	HOLD	2,005	1,811
Kalpataru Projects Int.	BUY	737	740
Larsen & Toubro	BUY	3,501	3,437
Praj Industries	Acc	540	611
Siemens#	Acc	4,020	4,359
Thermax	HOLD	3,200	2,771
Triveni Turbine	Acc	407	450
Voltamp Transformers	HOLD	6,538	5,079

Source: PL

* Y/e Dec / # Y/e Sep / Acc=Accumulate

Top Picks

Larsen & Toubro

Siemens

ABB India

Triveni Turbine

Praj Industries

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Robust inflows & execution to drive healthy Q3

We expect our capital goods coverage universe to report healthy performance in Q3FY24 led by 1) continued execution of strong opening order books, 2) robust demand/orders/volumes in domestic market, and 3) traction in key export markets such as Middle East, Americas, Africa etc. Overall, we expect Revenue/Adj. PAT growth of ~16.6%/22.0% YoY (13.5%/14.1% YoY ex-L&T). Margin guidance, European demand outlook, order/enquiry pipeline and impact of elections on domestic demand/orders will be key monitorables. Our top picks are L&T, Siemens, ABB, Triveni Turbine, and Praj Industries.

Order inflows (OI) likely to be strong in Q3FY24, owing to substantial order wins announced by companies like BEL/L&T/KEC/KPIL across segments such as Defence, T&D, Water, Hydrocarbons, Railways, Green Energy, etc. During the quarter, L&T announced OI in range of Rs535-820bn, while T&D EPC companies such as KEC/Kalpataru announced healthy OI worth ~Rs39bn/~Rs45bn respectively. BEL announced robust inflows worth ~Rs122bn. Government orders may be delayed during the upcoming elections, but the long-term outlook remains strong across T&D, Railways, Data Centers, Defence etc. especially in India.

Product/consumables companies' revenue to grow by ~11.0% YoY, led by strong growth in the domestic market. EBITDA margins for most product companies are likely to be stable owing to rising volumes offset by falling realizations and higher operating expenses. Within product companies, we expect Consumables to report ~4.1% YoY growth, (CUMI -1.4% YoY & GWN 15.0% YoY) factoring in healthy industrial demand offset by lower realizations due to Chinese dumping of Ceramics and Electromineral.

EPC companies' revenue to grow ~19.4% YoY led by healthy execution of robust opening order books. EBITDA margins are likely to expand with softening commodity prices 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	29,721	22.5%	4,464	22.5%	3,462	13.2%
Apar Industries	38,489	-2.3%	3,432	0.0%	1,735	2.1%
Bharat Electronics	48,333	17.0%	9,570	12.1%	7,095	18.5%
BHEL	59,488	13.0%	291	-79.8%	-644	NA
Cummins	23,791	9.1%	4,152	0.7%	3,494	-3.0%
Engineers India	9,182	9.0%	900	80.9%	1,061	558.3%
KEC International	50,787	16.1%	3,564	78.3%	1,067	506.4%
Kalpataru Power	45,138	28.6%	3,580	17.4%	1,452	30.8%
Larsen & Toubro	5,54,000	19.4%	63,060	24.3%	32,806	33.5%
Siemens	46,641	16.2%	6,216	3.7%	4,880	5.5%
Thermax	23,160	13.0%	2,050	27.2%	1,450	14.7%
Voltamp Transformers	4,272	19.5%	722	30.3%	592	16.7%
GE T&D India	9,760	25.7%	966	110.8%	616	1092.5%
Triveni Turbine	4,143	27.2%	808	28.0%	661	25.6%
Praj Industries	10,173	11.6%	977	13.5%	727	16.8%
Harsha Engineers	2,994	-0.4%	324	-21.0%	190	-40.2%
Carborundum Universal	11,701	-1.4%	1,716	0.4%	1,050	-3.7%
Grindwell Norton	6,947	15.0%	1,382	16.2%	1,002	25.0%
Hindustan Aeronautics	61,868	9.2%	13,611	38.1%	10,591	10.6%

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) better order conversion in the domestic market, 3) significant traction in hydrocarbon and 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 13.4%/21.5% over FY23-26E. We have 'Buy' rating on the stock with a TP of Rs3,437.

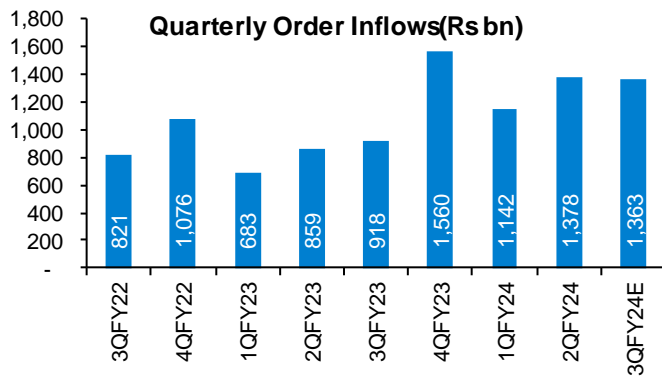
Siemens: We remain positive on Siemens from a long-term perspective given 1) its strong and diversified presence across industries through focus on electrification, digitalization & automation, 2) product localization, 3) strong balance sheet, 4) healthy public & private capex and 5) focus on cost efficiencies. We expect Siemens to report Revenue/Adj. PAT CAGR of 11.9%/14.8% over SY23-25E. We have an 'Accumulate' rating on the stock with a TP of Rs4,359, valuing it at a PE of 60x SY25E.

ABB: We remain positive on ABB given 1) increasing traction for energy efficient products, 2) changing customer preference towards value-added products, 3) diversified business model, 4) focus on high growth segments (Electronics, Data Centers, etc.), 5) strong order pipeline, and 6) organic/inorganic growth. Hence we expect ABB to report Revenue/Adj. PAT CAGR of 19.7%/27.6% over CY22-25E. We have an 'Accumulate' rating on the stock with a TP of Rs4,950, valuing it at a PE of 65x CY25E.

Triveni Turbine: We believe Triveni's prospects continue to remain strong due to 1) healthy enquiry pipeline (up 33% YoY) across markets, 2) growing share of higher margin exports and aftermarket sales, 3) strong traction in both industrial and API drive turbines, and 4) robust order book with strong inflows across its businesses. We expect Triveni to report Revenue/Adj. PAT CAGR of 26.4%/32.3% over FY23-26E. We have an 'Accumulate' rating on the stock with a TP of Rs450, valuing it at a PE of 35x Sep-25E.

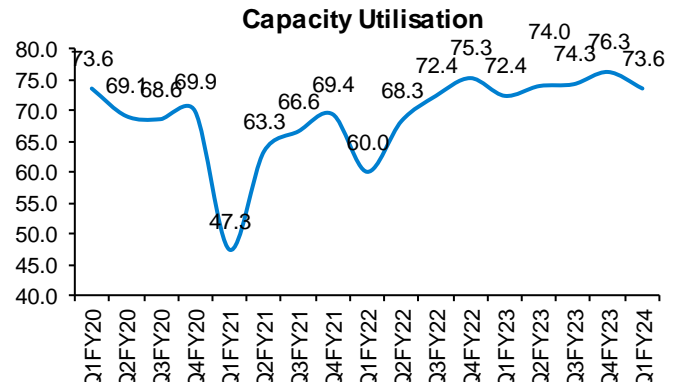
Praj Industries: We remain positive on Praj in the long run given 1) its strong leadership in domestic ethanol plants (~50-55% market share), 2) increasing traction from CBG plants, 3) focus on future-ready technologies like 2G plants, CBG, ETCA, SAF etc. 4) healthy outlook for engineering segment from exports market, and 5) upcoming opportunity from SAF post FY27. We expect Praj to report Revenue/Adj. PAT CAGR of 11.4%/18.9% over FY23-26E. We have an 'Accumulate' rating on the stock with a TP of Rs611, valuing it at a PE of 30x Sep-25E.

Exhibit 3: Order intake to report strong growth in Q3FY24E



Source: Company, PL

Exhibit 4: Utilization level continues to remain healthy



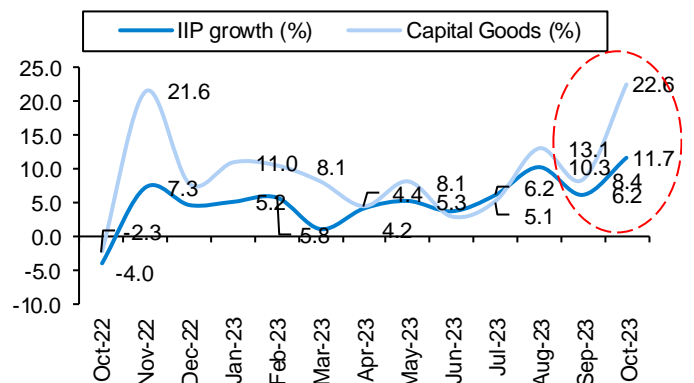
Source: RBI, PL

Exhibit 5: New projects continued to decline in Q3FY24

Rs trillion	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
New projects	9.5	14.2	6.8	1.9	2.1
YoY gr.	109%	52%	0%	-66%	-77%
Completed projects	1.9	2.2	1.5	1.5	1.3
YoY gr.	-36%	52%	22%	7%	-32%
Stalled projects	0.0	0.0	0.8	0.0	0.0
YoY gr.	2178%	-98%	907%	-100%	106%
Revived projects	1.2	1.1	0.4	0.4	0.2
YoY gr.	-39%	222%	26%	144%	-80%

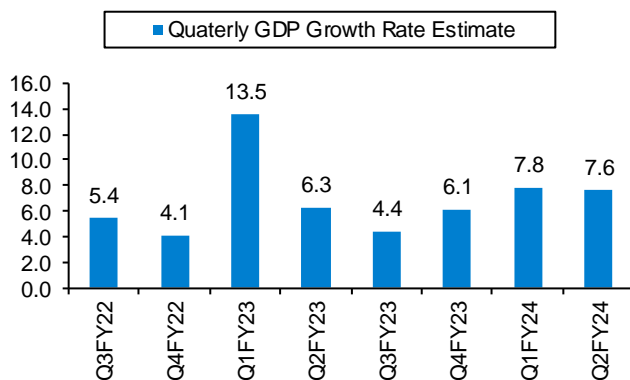
Source: CMIE, PL

Exhibit 6: IIP reported robust growth in Oct-23



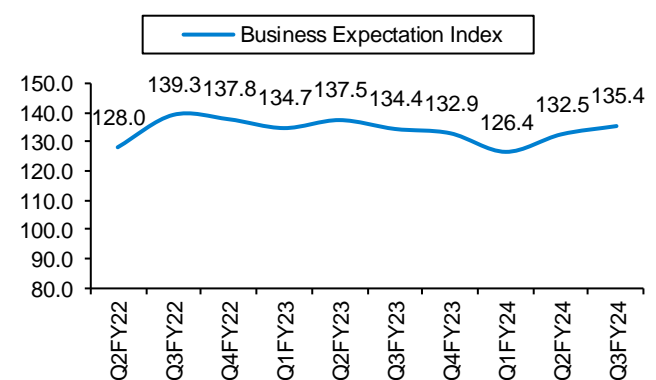
Source: MOSPI, PL

Exhibit 7: GDP estimate for Q2FY24 remains healthy



Source: MOSPI, PL

Exhibit 8: Business confidence improved in Q3FY24



Source: RBI, PL

Exhibit 9: Q3FY24 Result Preview

Company Name		Q3FY24E	Q3FY23	YoY gr. (%)	Q2FY24	QoQ gr. (%)	Remark
ABB India	Sales	29,721	24,269	22.5	27,692	7.3	We expect ABB to report revenue growth of 22.5% YoY, driven by robust growth across segments. Margins are likely to remain flattish YoY at ~15.0% amid a high base, with healthy improvement expected in the Robotics segment. Order inflows for the quarter are likely to be led by the Electrification and Industrial Automation segments, with continued traction in data centers, renewables, railways, etc.
	EBITDA	4,464	3,643	22.5	4,385	1.8	
	Margin (%)	15.0	15.0	1 bps	15.8	-82 bps	
	PBT	4,616	4,002	15.3	4,842	(4.7)	
	Adj. PAT	3,462	3,059	13.2	3,620	(4.4)	
Apar Industries	Sales	38,489	39,389	-2.3	39,260	(2.0)	We expect revenue to fall 2.3% YoY, led by a decline in the Conductors business owing to moderation in volumes along with lower realizations, leading to a drop in EBITDA/MT. Specialty Oil segment is also expected to report muted performance due to a fall in realizations. Meanwhile, the Cables business is expected to report decent growth with a strong domestic market offsetting the negative impact of inventory de-stocking in US & Europe. Management's commentary on export markets and realization guidance will be key monitorables.
	EBITDA	3,432	3,432	(0.0)	3,498	(1.9)	
	Margin (%)	8.9	8.7	20 bps	8.9	1 bps	
	PBT	2,342	2,298	1.9	2,373	(1.3)	
	Adj. PAT	1,735	1,699	2.1	1,739	(0.2)	
Bharat Electronics	Sales	48,333	41,310	17.0	39,933	21.0	We expect Bharat Electronics to deliver healthy revenue growth of 17.0% YoY, driven by increased execution of a strong opening order book. EBITDA margin is expected to decline slightly by ~86bps YoY. During the quarter, BEL announced robust order intake worth ~Rs122bn, surpassing its annual guidance of Rs200bn+. This includes the Rs45.2bn order for fuses for the Indian Army and the Rs26.7bn order for sensors for Next Generation Offshore Patrol Vessels. Management commentary on status of key orders (QRSAM, LRSAM) and non-defence opportunities will be key monitorables.
	EBITDA	9,570	8,535	12.1	10,044	(4.7)	
	Margin (%)	19.8	20.7	-86 bps	25.2	-535 bps	
	PBT	9,460	8,004	18.2	10,729	(11.8)	
	Adj. PAT	7,095	5,988	18.5	8,123	(12.7)	
BHEL	Sales	59,488	52,634	13.0	51,253	16.1	We expect BHEL's revenue to grow 15.5% YoY, along with positive EBITDA margin of ~0.5%, led by pick up in execution across both segments. Margins and order intake will be key monitorables.
	EBITDA	291	1,443	(79.8)	-3,877	NA	
	Margin (%)	0.5	2.7	-225 bps	-7.6	805 bps	
	PBT	-859	414	NA	-4,313	NA	
	Adj. PAT	-644	310	NA	-2,334	NA	
Carborundum Universal	Sales	11,701	11,871	-1.4	11,463	2.1	We estimate consolidated revenue to fall 1.4% YoY, factoring in expected weakness in Electrominerals and Abrasives subsidiaries owing to dumping from Chinese players. EBITDA margin is expected to rise ~26bps YoY to 14.7%, with pressure in Electrominerals offsetting the expected margin expansion in Ceramics subsidiaries and Abrasives. Management commentary on European demand, Chinese dumping, and performance of subsidiaries will be key monitorables.
	EBITDA	1,716	1,710	0.3	1,675	2.5	
	Margin (%)	14.7	14.4	26 bps	14.6	5 bps	
	PBT	1,396	1,409	-0.9	1,364	2.3	
	Adj. PAT	1,050	1,091	-3.8	1,019	3.1	
Engineers India	Sales	9,182	8,422	9.0	7,898	16.3	We expect EIL to register revenue growth of 9.0% YoY, owing to healthy growth in the Consultancy & Engineering segment. EBITDA margin is expected to expand ~389bps YoY to 9.8% (versus a low base) factoring in falling commodity costs and better mix. Turnkey segment margin, international business, and developments in de-carbonization opportunities will be key monitorables.
	EBITDA	900	498	80.9	985	(8.7)	
	Margin (%)	9.8	5.9	389 bps	12.5	-267 bps	
	PBT	1,148	690	66.3	1,336	(14.1)	
	Adj. PAT	1,061	161	558.3	1,275	(16.8)	
GE T&D India	Sales	9,760	7,766	25.7	6,978	39.9	We expect revenue to grow by 25.7% YoY driven by strong growth in domestic execution. EBITDA margin is expected to expand by ~400bps YoY to 9.9% on the back of continued operational efficiencies and cost saving efforts. During the quarter, GE T&D bagged a significant export order worth ~Rs7.8bn from UK Grid Solutions (also part of GE group) for an HVDC converter transformer, thus boosting order intake for the quarter.
	EBITDA	966	458	110.8	606	59.3	
	Margin (%)	9.9	5.9	400 bps	8.7	121 bps	
	PBT	856	135	535.7	503	70.2	
	Adj. PAT	616	52	1,092.5	372	65.9	
Grindwell Norton	Sales	6,947	6,039	15.0	6,674	4.1	We expect Grindwell to record revenue growth of 15.0% YoY driven by healthy growth across segments. EBITDA margin is likely to rise by ~20bps to 19.9% driven by robust improvement in Digital Services margin. Management commentary on performance of Ceramics & Plastics segment will be the key monitorable.
	EBITDA	1,382	1,190	16.2	1,314	5.2	
	Margin (%)	19.9	19.7	20 bps	19.7	21 bps	
	PBT	1,350	1,085	24.5	1,353	(0.2)	
	Adj. PAT	1,002	802	25.0	1,019	(1.6)	

Company Name		Q3FY24E	Q3FY23	YoY gr. (%)	Q2FY24	QoQ gr. (%)	Remark
Harsha Engineers International	Sales	2,994	3,007	-0.4	3,395	(11.8)	We estimate Harsha's revenue to fall 11.8% YoY owing to continued weakness in Romania & China businesses as well as softness in European demand. EBITDA margin is likely to contract ~282bps YoY to 10.8% as a result of a weak topline and higher input costs. Management commentary on bronze bushings demand, European market outlook, performance of foreign subsidiaries, Japan sales, and stamped components business remain key monitorables.
	EBITDA	324	410	-21.0	352	(8.1)	
	Margin (%)	10.8	13.6	-282 bps	10.4	44 bps	
	PBT	254	430	-41.0	297	(14.3)	
	Adj. PAT	190	317	-40.2	204	(6.8)	
Hindustan Aeronautics	Sales	61,868	56,655	9.2	56,357	9.8	We expect Hindustan Aeronautics to grow 9.2% YoY, driven by continued execution of a strong order book. EBITDA margin is likely to jump ~460bps YoY to 22.0% owing to a sharp reduction in provision expenses. Status of contract finalization for orders in the pipeline such as AL 31-FP and RD-33 engines as well as ALH Rudra and LUH helicopters will be key monitorables.
	EBITDA	13,611	9,854	38.1	15,276	(10.9)	
	Margin (%)	22.0	17.4	461 bps	27.1	-511 bps	
	PBT	14,091	12,117	16.3	16,470	(14.4)	
	Adj. PAT	10,591	9,575	10.6	12,367	(14.4)	
KEC International	Sales	50,787	43,746	16.1	44,990	12.9	We expect 16.1% revenue growth on the back of strong execution in Water/Civil, Cables, and T&D segments. EBITDA margin is likely to improve by ~245bps YoY to 7.0%, driven by gross margin expansion (versus a low base) and improved performance in SAE Towers. During the quarter, KEC announced strong order inflows worth ~Rs39bn primarily across T&D and Cables. Management commentary of T&D supply chain challenges, interest costs & debt, and Railways business outlook will be key monitorables.
	EBITDA	3,564	1,999	78.3	2,743	29.9	
	Margin (%)	7.0	4.6	245 bps	6.1	92 bps	
	PBT	1,334	114	1,067.2	658	102.8	
	Adj. PAT	1,067	176	506.4	558	91.2	
Cummins India	Sales	23,791	21,805	9.1	18,997	25.2	Cummins' revenue is expected to rise 9.1% YoY, led by strong domestic growth, while export growth is likely to be muted owing to demand slowdown from key geographies in the near term. EBITDA margin is estimated to decline by ~145bps to 17.5% versus a high base in Q2FY23. Management's commentary on export market outlook, supply chain, and CPCB transition will be key monitorables.
	EBITDA	4,152	4,122	0.7	3,386	22.6	
	Margin (%)	17.5	18.9	-145 bps	17.8	-37 bps	
	PBT	4,722	4,790	(1.4)	4,263	10.8	
	Adj. PAT	3,494	3,601	(3.0)	3,285	6.4	
Kalpataru Projects International	Sales	45,138	35,090	28.6	38,440	17.4	We expect Kalpataru to report 28.6% YoY revenue growth driven by strong execution across all segments except Oil & Gas. EBITDA margin is likely to contract by ~76bps YoY to 7.9% factoring in contribution from legacy projects. During the quarter, the company announced strong order intake worth ~Rs45bn across T&D, B&F and Water. Management commentary on order pipeline, T&D supply chain constraints, and Urban Infra project delays will be key monitorables.
	EBITDA	3,580	3,050	17.4	3,080	16.2	
	Margin (%)	7.9	8.7	-76 bps	8.0	-8 bps	
	PBT	2,045	1,650	23.9	1,600	27.8	
	Adj. PAT	1,452	1,110	30.8	1,130	28.5	
Larsen & Toubro	Sales	5,54,000	4,63,897	19.4	5,10,240	8.6	We expect L&T to report consolidated revenue growth of 19.4% YoY, led by growth in Infrastructure Projects, Hi-Tech Manufacturing and Development Projects. EBITDA margin is likely to increase by ~45bps to 11.4% owing to continued profitability improvement in Development Projects and better margins in Energy, IT and Financial Services segments. During the quarter, L&T announced robust order intake in the range of Rs535-820bn, driven by a couple of large Hydrocarbon projects in Middle East. Management commentary on tender prospects and status of Development Projects will be key monitorables.
	EBITDA	63,060	50,730	24.3	56,320	12.0	
	Margin (%)	11.4	10.9	45 bps	11.0	34 bps	
	PBT	53,610	42,004	27.6	49,911	7.4	
	Adj. PAT	32,806	24,568	33.5	32,226	1.8	
Praj Industries	Sales	10,173	9,115	11.6	8,824	15.3	We estimate Praj to report revenue growth of 11.6% YoY, led by healthy execution across segments. EBITDA margin is likely to rise by ~16bps amidst softening commodity prices but higher operating expenses. Management commentary on impact of recent policy revisions on diversion of sugar for ethanol production will be a key monitorable.
	EBITDA	977	860	13.5	778	25.6	
	Margin (%)	9.6	9.4	16 bps	8.8	79 bps	
	PBT	973	859	13.2	847	14.8	
	Adj. PAT	727	623	16.8	623	16.8	
Siemens	Sales	46,641	40,151	16.2	58,077	(19.7)	We expect Siemens to report 16.2% YoY revenue growth driven execution of a strong opening order book. EBITDA margin is likely to decline ~160bps YoY to 13.3% (versus a high base), but improve ~127bps QoQ. Order inflows are likely to be driven by short cycle orders with increasing interest in sustainability and smart infra solutions.
	EBITDA	6,216	5,992	3.7	7,002	(11.2)	
	Margin (%)	13.3	14.9	-160 bps	12.1	127 bps	
	PBT	6,506	6,211	4.8	7,622	(14.6)	
	Adj. PAT	4,880	4,627	5.5	5,717	(14.6)	

Company Name		Q3FY24E	Q3FY23	YoY gr. (%)	Q2FY24	QoQ gr. (%)	Remark
Thermax	Sales	23,160	20,493	13.0	23,025	0.6	We estimate Thermax's revenue to grow 13.0% YoY, led by strong growth in Green Solutions and Chemicals segments. EBITDA margin will likely improve by 99bps YoY to 8.9% owing to a better mix. Key monitorables would be management's commentary on green and decarbonization businesses, international operations, inflow of large orders, and Industrial Infrastructure order pipeline.
	EBITDA	2,050	1,611	27.2	2,046	0.2	
	Margin (%)	8.9	7.9	99 bps	8.9	-4 bps	
	PBT	1,935	1,652	17.1	2,177	(11.1)	
	Adj. PAT	1,450	1,264	14.7	1,586	(8.6)	
Triveni Turbine	Sales	4,143	3,258	27.2	3,878	6.8	We expect Triveni Turbine to report 27.2% YoY revenue growth, driven by robust growth in both domestic and export sales. EBITDA margin is likely to remain flattish YoY at ~19.5% due to continued high sub-contracting charges related to the SADC order. Management commentary on the enquiry pipeline and aftermarket segment will be key monitorables.
	EBITDA	808	631	28.0	744	8.7	
	Margin (%)	19.5	19.4	13 bps	19.2	33 bps	
	PBT	881	700	25.8	832	5.9	
	Adj. PAT	661	526	25.6	642	2.9	
Voltamp Transformers	Sales	4,272	3,575	19.5	3,814	12.0	We estimate Voltamp to record healthy revenue growth of 19.5% YoY, driven by decent volume growth and higher realizations, which will likely lead to EBITDA margin expansion of ~140bps YoY to 16.9%. Key monitorables will be management commentary on competition, pricing power, capacity expansion and input costs.
	EBITDA	722	554	30.3	688	5.0	
	Margin (%)	16.9	15.5	140 bps	18.0	-113 bps	
	PBT	790	664	18.9	836	(5.6)	
	Adj. PAT	592	508	16.7	684	(13.4)	

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	4,753	4,984	1,007.2	85.7	105.9	128.5	147.0	9.6	14.5	17.7	20.2	7.7	12.0	14.1	16.1	36.4	56.6	66.8	76.2	17.2	22.4	22.5	22.0	130.5	84.0	71.2	62.4
Apar Industries	C Acc	5,950	5,776	239.0	143.5	157.6	183.2	212.2	12.3	13.4	14.6	17.3	6.4	6.8	7.6	9.5	166.6	169.1	189.4	236.2	32.3	22.8	19.1	20.7	35.7	35.2	31.4	25.2
Bharat Electronics	S Acc	184	143	1,342.1	176.5	206.5	238.3	269.4	40.5	45.4	53.6	61.9	30.1	33.8	40.2	46.7	4.1	4.6	5.5	6.4	23.5	23.6	24.8	25.2	44.6	39.7	33.4	28.8
BHEL ¹	S UR	195	NA	679.5	233.6	280.8	324.9	367.3	7.2	14.6	23.2	37.3	4.5	8.8	15.5	25.5	1.3	2.5	4.5	7.3	1.7	3.2	5.4	8.3	151.8	77.0	43.7	26.6
Carborundum Universal	C BUY	1,132	1,408	214.9	46.5	49.5	57.6	65.1	6.5	7.6	9.6	11.4	4.0	4.7	6.1	7.4	20.8	24.5	31.9	39.1	15.3	15.4	17.5	18.4	54.3	46.2	35.4	28.9
Engineers India	C BUY	199	166	111.9	33.3	37.2	42.7	48.3	3.1	4.0	5.6	6.3	3.4	4.1	5.5	6.2	6.1	7.3	9.8	11.0	18.3	19.8	23.5	23.3	32.7	27.2	20.4	18.1
GE T&D India ¹	S UR	585	NA	149.8	27.7	34.4	41.7	51.2	1.0	3.1	4.2	5.4	0.0	1.8	2.7	3.6	-0.1	7.1	10.6	13.9	-0.2	15.7	20.4	22.9	NA	82.7	55.4	42.0
Grindwell Norton	C BUY	2,283	2,604	252.8	25.4	29.6	34.4	40.3	5.0	5.9	7.0	8.4	3.6	4.3	5.1	6.2	32.7	38.8	46.3	55.8	21.5	22.2	23.0	23.9	69.8	58.8	49.3	40.9
Harsha Engineers International	C Acc	395	415	36.0	13.6	13.5	15.6	17.9	1.9	1.6	2.3	2.9	1.2	0.9	1.6	2.0	13.5	10.3	17.2	22.3	15.5	8.4	12.8	14.6	29.2	38.4	22.9	17.7
Hindustan Aeronautics	C BUY	2,996	2,266	2,003.4	269.3	294.9	326.9	367.9	66.8	71.7	81.2	92.3	46.3	53.0	60.8	68.9	69.2	79.3	90.9	103.1	21.6	20.9	20.7	20.3	43.3	37.8	33.0	29.1
KEC International	C HOLD	612	645	157.4	172.8	199.1	228.7	253.6	8.3	13.8	20.5	25.5	1.8	4.5	10.1	13.6	6.8	17.5	39.2	53.0	4.8	11.4	22.2	24.7	89.4	35.1	15.6	11.5
Cummins India	S HOLD	2,005	1,811	555.8	77.4	86.9	97.4	108.9	12.4	14.1	16.2	18.5	11.4	12.6	14.3	16.1	41.1	45.4	51.7	58.1	22.3	22.5	23.8	24.6	48.7	44.2	38.8	34.5
Kalpataru Projects International	S BUY	737	740	119.8	143.4	178.9	209.0	245.0	11.6	14.5	18.1	23.3	4.9	6.1	8.3	11.5	30.4	37.4	50.9	70.8	9.6	10.9	13.4	16.4	24.3	19.7	14.5	10.4
Larsen & Toubro	C BUY	3,501	3,437	4,919.2	1833.4	2190.9	2431.6	2676.0	207.5	251.9	293.4	330.4	103.7	136.0	159.9	185.8	73.8	96.8	113.8	132.3	12.1	14.2	14.7	15.0	47.4	36.2	30.8	26.5
Praj Industries	C Acc	540	611	99.2	35.3	39.6	43.9	48.8	3.1	4.0	4.6	5.4	2.4	3.0	3.4	4.0	13.1	16.3	18.7	21.9	24.1	25.7	25.2	25.4	41.4	33.1	28.9	24.6
Siemens#	C Acc	4,020	4,359	1,431.1	161.4	195.5	217.7	245.0	17.6	24.9	28.8	32.9	12.6	19.6	22.4	25.9	35.4	55.1	62.8	72.6	11.5	15.9	16.1	16.7	113.4	72.9	64.0	55.3
Thermax	C HOLD	3,200	2,771	360.3	80.9	89.8	98.7	107.9	6.0	7.9	9.2	10.3	4.5	5.9	6.8	7.7	40.0	52.4	60.8	68.1	12.2	14.5	15.2	15.3	79.9	61.1	52.6	47.0
Triveni Turbine	C Acc	407	450	129.5	12.5	16.3	20.4	25.2	2.4	3.2	4.4	5.5	2.0	2.6	3.6	4.5	6.2	8.3	11.5	14.3	24.2	31.1	34.7	34.4	66.2	49.2	35.5	28.6
Voltamp Transformers	S HOLD	6,538	5,079	66.1	13.9	16.4	18.5	20.9	2.3	2.7	2.8	3.0	2.0	2.4	2.4	2.7	197.6	232.3	239.6	268.3	19.5	19.9	18.1	17.9	33.1	28.1	27.3	24.4

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 with regards to target prices and upsides given increased market volatility. 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 Q3FY24 result.



Exhibit 11: Change in Estimates

	Rating		Target Price			Sales						PAT						EPS					
						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	4,984	4,950	0.7%	1,05,870	1,05,870	0.0%	1,28,548	1,28,548	0.0%	11,986	11,590	3.4%	14,147	14,051	0.7%	56.6	54.7	3.4%	66.8	66.3	0.7%
Apar Industries	Acc	Acc	5,776	5,630	2.6%	1,57,550	1,57,550	0.0%	1,83,228	1,83,228	0.0%	6,793	6,793	0.0%	7,609	7,486	1.7%	169.1	177.5	-4.7%	189.4	195.6	-3.2%
Bharat Electronics	Acc	Acc	143	143	0.0%	2,06,515	2,06,515	0.0%	2,38,309	2,38,309	0.0%	33,842	33,842	0.0%	40,232	40,232	0.0%	4.6	4.6	0.0%	5.5	5.5	0.0%
BHEL	UR	Reduce	NA	67	NA	2,80,754	2,80,754	0.0%	3,24,857	3,24,857	0.0%	8,826	8,826	0.0%	15,539	15,539	0.0%	2.5	2.5	0.0%	4.5	4.5	0.0%
Carborundum Universal	BUY	BUY	1,408	1,408	0.0%	49,452	49,452	0.0%	57,550	57,550	0.0%	4,653	4,653	0.0%	6,064	6,064	0.0%	24.5	24.5	0.0%	31.9	31.9	0.0%
Engineers India	BUY	BUY	166	166	0.0%	37,161	37,161	0.0%	42,738	42,738	0.0%	4,118	4,118	0.0%	5,487	5,487	0.0%	7.3	7.3	0.0%	9.8	9.8	0.0%
GE T&D India	UR	HOLD	NA	367	NA	34,406	34,406	0.0%	41,679	41,679	0.0%	1,810	1,810	0.0%	2,703	2,703	0.0%	7.1	7.1	0.0%	10.6	10.6	0.0%
Grindwell Norton	BUY	BUY	2,604	2,604	0.0%	29,621	29,621	0.0%	34,445	34,445	0.0%	4,299	4,299	0.0%	5,131	5,131	0.0%	38.8	38.8	0.0%	46.3	46.3	0.0%
Harsha Engineers International	Acc	Acc	415	415	0.0%	13,461	13,461	0.0%	15,617	15,617	0.0%	936	936	0.0%	1,569	1,569	0.0%	10.3	10.3	0.0%	17.2	17.2	0.0%
Hindustan Aeronautics	BUY	BUY	2,266	2,266	0.0%	2,94,863	2,94,863	0.0%	3,26,857	3,26,857	0.0%	53,031	53,031	0.0%	60,776	60,776	0.0%	79.3	79.3	0.0%	90.9	90.9	0.0%
KEC International	HOLD	HOLD	645	645	0.0%	1,99,083	1,99,083	0.0%	2,28,732	2,28,732	0.0%	4,487	4,487	0.0%	10,067	10,067	0.0%	17.5	17.5	0.0%	39.2	39.2	0.0%
Cummins India	HOLD	HOLD	1,811	1,811	0.0%	86,911	86,911	0.0%	97,425	97,425	0.0%	12,578	12,578	0.0%	14,340	14,340	0.0%	45.4	45.4	0.0%	51.7	51.7	0.0%
Kalpataru Projects International	BUY	BUY	740	740	0.0%	1,78,918	1,78,918	0.0%	2,09,027	2,09,027	0.0%	6,073	6,073	0.0%	8,274	8,274	0.0%	37.4	37.4	0.0%	50.9	50.9	0.0%
Larsen & Toubro	BUY	BUY	3,437	3,437	0.0%	21,90,898	21,90,898	0.0%	24,31,588	24,31,588	0.0%	1,35,994	1,35,994	0.0%	1,59,852	1,59,852	0.0%	96.8	96.8	0.0%	113.8	113.8	0.0%
Praj Industries	Acc	Acc	611	611	0.0%	39,595	39,595	0.0%	43,873	43,873	0.0%	3,001	3,001	0.0%	3,436	3,436	0.0%	16.3	16.3	0.0%	18.7	18.7	0.0%
Siemens#	Acc	Acc	4,359	4,359	0.0%	1,95,538	1,95,538	0.0%	2,17,674	2,17,674	0.0%	19,620	19,620	0.0%	22,353	22,353	0.0%	55.1	55.1	0.0%	62.8	62.8	0.0%
Thermax	HOLD	HOLD	2,771	2,771	0.0%	89,832	89,832	0.0%	98,655	98,655	0.0%	5,897	5,897	0.0%	6,848	6,848	0.0%	52.4	52.4	0.0%	60.8	60.8	0.0%
Triveni Turbine	Acc	Acc	450	450	0.0%	16,278	16,278	0.0%	20,447	20,447	0.0%	2,634	2,634	0.0%	3,644	3,644	0.0%	8.3	8.3	0.0%	11.5	11.5	0.0%
Voltamp Transformers	HOLD	HOLD	5,079	5,079	0.0%	16,406	16,406	0.0%	18,522	18,522	0.0%	2,350	2,350	0.0%	2,424	2,424	0.0%	232.3	232.3	0.0%	239.6	239.6	0.0%

Source: Company, PL * Y/e Dec / # Y/e Sep C=Current / P=Previous / Acc=Accumulate

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	Accumulate	4,950	4,311
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	1,811	1,767
7	Engineers India	BUY	166	145
8	GE T&D India	Hold	367	386
9	Grindwell Norton	BUY	2,604	2,159
10	Harsha Engineers International	Accumulate	415	393
11	Hindustan Aeronautics	BUY	2,266	2,059
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	4,359	3,956
17	Thermax	Hold	2,771	2,822
18	Triveni Turbine	Accumulate	450	392
19	Voltamp Transformers	Hold	5,079	4,989

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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