

May 7, 2024

Q4FY24 Result Update

☒ Change in Estimates | ☒ Target | ☒ Reco

Change in Estimates

	Current		Previous	
	FY25E	FY26E	FY25E	FY26E
Rating	ACCUMULATE		BUY	
Target Price	1,631		1,347	
Sales (Rs. m)	51,943	59,057	52,429	59,112
% Chng.	(0.9)	(0.1)		
EBITDA (Rs. m)	8,649	10,305	8,729	10,315
% Chng.	(0.9)	(0.1)		
EPS (Rs.)	29.4	36.1	28.8	35.2
% Chng.	2.1	2.7		

Key Financials - Consolidated

Y/e Mar	FY23	FY24	FY25E	FY26E
Sales (Rs. m)	46,543	47,022	51,943	59,057
EBITDA (Rs. m)	6,519	7,388	8,649	10,305
Margin (%)	14.0	15.7	16.7	17.5
PAT (Rs. m)	3,954	4,613	5,592	6,877
EPS (Rs.)	20.8	24.2	29.4	36.1
Gr. (%)	18.6	16.7	21.2	23.0
DPS (Rs.)	3.5	4.0	6.8	8.3
Yield (%)	0.2	0.3	0.4	0.5
RoE (%)	15.3	15.5	16.6	17.7
RoCE (%)	16.5	17.4	18.0	19.4
EV/Sales (x)	6.2	6.0	5.4	4.7
EV/EBITDA (x)	44.0	38.4	32.6	27.0
PE (x)	73.0	62.5	51.6	41.9
P/BV (x)	10.2	9.2	8.0	6.9

Key Data

CRBR.BO | CU IN

52-W High / Low	Rs.1,550 / Rs.1,026
Sensex / Nifty	73,896 / 22,443
Market Cap	Rs.288bn/ \$ 3,455m
Shares Outstanding	190m
3M Avg. Daily Value	Rs.251.05m

Shareholding Pattern (%)

Promoter's	41.24
Foreign	11.72
Domestic Institution	29.06
Public & Others	17.98
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	18.9	40.4	37.8
Relative	19.5	23.4	13.9

Amit Anwani

amitanwani@plindia.com | 91-22-66322250

Shirom Kapur

shiromkapur@plindia.com | 91-22-66322344

Carborundum Universal (CU IN)

Rating: ACCUMULATE | CMP: Rs1,516 | TP: Rs1,631

Decent quarter; subsidiaries on right track

Quick Pointers:

- Excluding RUB/INR FX impact, consol. FY24 revenue growth would have been ~7%, and ~5%/6%/9% in consol. Abrasives/Ceramics/Electrominerals.
- 6MT per month capacity expansion announced for high purity silicon carbide.

We revise our FY25/26E EPS estimates by +2.1%/2.7% factoring in improving performance at subsidiary level and upcoming capacity expansions, but downgrade the rating to 'Accumulate' from Buy with a revised TP of Rs1,631 (Rs1,347 earlier) given the steep run-up in stock price. Carborundum Universal (CU) reported decent quarterly performance with flattish revenue YoY and EBITDA margin improving by 157bps YoY to 17.4%. Continued traction in Indian market is expected to aid growth across segments. CUMI America should continue to perform well, while healthy improvement is anticipated in AWUKO, RHODIUS, and Foskor Zirconia. Chinese dumping will likely keep Electrominerals margin and retail abrasive sales under pressure. Management has guided for Rs51-52bn consol revenue in FY25 led by Ceramics & Abrasives, with 20-30bps improvement in PBIT margin.

We believe CU will perform well in the long run given 1) healthy domestic demand, 2) product launches across segments, 3) capacity expansion in electrominerals and abrasives 4) strong market reach and exports, and 5) improvement in performance of recently acquired subsidiaries. The stock is trading at a P/E of 51.6x/41.9x FY25/26E. We roll forward to FY26E and value Abrasives/Ceramics/Electrominerals at 40x/55x/30x FY26E EPS (35x/46x/25x Dec-25E earlier) on the back of improving outlook in AWUKO & RHODIUS, healthy demand for industrial ceramics & refractories, and capacity expansion in high purity silicon carbide.

Abrasives & Ceramics perform well while Electrominerals drags: Consolidated revenue was flattish at Rs12.0bn (PLe: Rs12.1bn). Abrasives sales rose 1.5% YoY to Rs5.3bn and Ceramics rose 6.0% YoY to Rs2.8bn, while Electrominerals fell 6.1% YoY to Rs3.8bn. Gross margin increased by 257bps YoY to 64.5% (PLe: 64.2%). EBITDA grew 10.0% YoY to Rs2.1bn (PLe: Rs1.9bn). EBITDA margin expanded by 157bps YoY to 17.4% (PLe: 16.0%) led by gross margin expansion and lower power & fuel costs (down 17.5% YoY to Rs1.1bn), which were partially offset by higher employee costs and other expenses. Abrasives EBIT margin expanded to 11.9% (vs 7.3% in Q4FY23) owing to better product mix and realizations, softening input costs, operational efficiencies and lower losses in AWUKO & RHODIUS. Ceramics margin came in at 25.2% (vs 23.2% in Q4FY23); and Electrominerals margin fell to 13.6% (vs 16.0% in Q4FY23). Adj. PAT rose 13.7% YoY to Rs1.3bn (PLe: Rs1.0bn) led by a healthy operating performance.

Improved performance in RHODIUS & AWUKO: RHODIUS sales were €63.3mn in FY24 vs €64.5mn YoY; FY24 loss narrowed to €1.5mn vs €3.7mn. AWUKO sales were €9.1mn in FY24 vs €9.4mn YoY; FY24 loss fell to €2.3mn vs €3.7mn. Guidance for EBITDA breakeven and €0.7-1mn loss in FY25.

Exhibit 1: Ceramics segment accounts for ~49% of SoTP

Particular	FY26 EPS	Multiple (x)	Net Value/share
Abrasives	12.0	40	478
Ceramics	14.5	55	800
Electrominerals	11.8	30	355
Others	(2.2)	1	(2)
SoTP			1,631

Source: Company, PL

Exhibit 2: 13.7% YoY growth in PAT led by healthy operating performance and better performance of German subsidiaries

Consolidated (Rs mn)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY gr. (%)	QoQ gr. (%)	FY24	FY23	YoY gr. (%)
Revenue	11,832	11,909	11,234	11,305	11,834	0.0	4.7	46,282	46,010	0.6
Other Operating income	165	123	229	210	178	8.0	(15.2)	740	533	38.9
Total Revenue	11,996	12,032	11,463	11,514	12,012	0.1	4.3	47,022	46,543	1.0
Expenditure	10,093	10,338	9,788	9,590	9,918	(1.7)	3.4	39,634	40,024	(1.0)
as % of sales	84.1	85.9	85.4	83.3	82.6			84.3	86.0	
Consumption of RM	4,567	4,681	4,047	4,135	4,264	(6.6)	3.1	16,973	17,141	(1.0)
as % of sales	38.1	38.9	35.3	35.9	35.5			36.1	36.8	
Employee Cost	1,667	1,799	1,786	1,754	1,863	11.8	6.2	7,201	6,923	4.0
as % of sales	13.9	14.9	15.6	15.2	15.5			15.3	14.9	
Other expenditure	3,859	3,858	3,956	3,701	3,790	(1.8)	2.4	15,460	15,960	(3.1)
as % of sales	32.2	32.1	34.5	32.1	31.6			32.9	34.3	
EBITDA	1,903	1,694	1,675	1,925	2,094	10.0	8.8	7,388	6,519	13.3
Depreciation	527	457	459	482	510	(3.2)	5.9	1,908	1,873	1.8
EBIT	1,376	1,237	1,217	1,443	1,584	15.1	9.8	5,481	4,645	18.0
Other Income	198	309	196	136	125	(36.7)	(7.5)	767	767	(0.1)
Interest	72	52	49	47	36	(50.1)	(23.9)	183	235	(22.1)
Extra ordinary items	249	-	-	-	-	-	-	-	249	-
PBT	1,752	1,494	1,364	1,532	1,674	(4.4)	9.3	6,064	5,426	11.8
Total Tax	408	418	437	514	371	(9.0)	(27.8)	1,958	1,382	41.7
Reported PAT	1,344	1,076	927	1,017	1,303	(3.1)	28.1	4,106	4,044	1.5
(Profit)/loss from JV's/Ass/MI	27	56	92	96	46	67.4	(52.3)	289	96	202.3
PAT after MI	1,371	1,132	1,019	1,113	1,348	(1.7)	21.2	4,395	4,140	6.2
Adj. PAT	1,180	1,132	1,019	1,113	1,348	14.3	21.2	4,395	3,954	11.2
Adjusted EPS	7.2	6.0	5.4	5.9	7.1	(1.7)	21.2	-	20.8	(100.0)
Margins (%)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	bps	bps	FY24	FY23	bps
Gross	61.9	61.1	64.7	64.1	64.5	257	41	4.4	6.4	(199)
EBITDA	15.9	14.1	14.6	16.7	17.4	157	72	15.7	14.0	171
EBIT	11.5	10.3	10.6	12.5	13.2	172	66	11.7	10.0	168
EBT	14.6	12.4	11.9	13.3	13.9	(67)	63	12.9	11.7	124
PAT	9.8	9.4	8.9	9.7	11.2	139	156	9.3	8.5	85
Effective Tax rate	23.3	28.0	32.1	33.6	22.2	(110)	(1,141)	32.3	25.5	682

Source: Company, PL

Exhibit 3: Abrasives and Ceramics perform well with decent margin improvement, while Electrominerals drags

Y/e March	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY gr. (%)	QoQ gr. (%)	FY24	FY23	YoY gr. (%)
Revenue (Rs mn)										
Abrasives	5,251	5,189	5,105	5,287	5,330	1.5	0.8	20,910	20,353	2.7
Ceramics	2,654	2,870	2,650	2,435	2,813	6.0	15.5	10,767	10,274	4.8
Electrominerals	4,055	4,182	3,775	3,685	3,806	(6.1)	3.3	15,447	16,338	(5.4)
Others	425	343	360	421	394	(7.3)	(6.5)	1,517	1,386	9.4
Less: Intersegmental	(553)	(674)	(655)	(523)	(508)	(8.1)	(2.9)	2,360	2,340	0.9
Total	11,832	11,909	11,234	11,305	11,834	0.0	4.7	51,002	50,690	0.6
EBIT (Rs mn)										
Abrasives	381	312	371	501	632	65.7	26.1	1,817	1,048	73.4
Ceramics	616	810	737	601	708	15.0	17.9	2,856	2,507	13.9
Electrominerals	649	740	615	503	516	(20.5)	2.6	2,374	2,753	(13.8)
Others	(38)	(60)	(51)	(41)	(72)	86.9	74.2	(224)	(175)	28.0
EBIT (margin)										
Abrasives	7.3	6.0	7.3	9.5	11.9	459	237	8.7	5.1	354
Ceramics	23.2	28.2	27.8	24.7	25.2	198	50	26.5	24.4	213
Electrominerals	16.0	17.7	16.3	13.7	13.6	(245)	(9)	15.4	16.9	(148)
Others	-9.0	-17.5	-14.2	-9.8	-18.2	(917)	(842)	-14.8	-12.6	(214)

Source: Company, PL

Conference Call Highlights

- **Guidance of 9-11% consolidated revenue growth in FY25 to Rs5.1-5.2bn** with 20-30bps improvement in PBIT margin.
- **Consol. abrasives:** FY24 revenue growth would have been 5.0% (vs 2.7%) excluding FX impact in VAW. Guidance of 11-12% growth and 100bps margin improvement in FY25.
- **Standalone abrasives:** Volume growth in Industrial & Precision segments, while Retail volume continued to fall. Margin improved due to better product mix and realizations, softening input costs, and operational efficiencies. Guidance of 9-11% growth in India in FY25 led by retail market expansion, scaling presence in North & East India, introducing value-added products, and pushing new categories such as cutting blades in non-South markets.
- **RHODIUS:** Q4FY24 revenue was €17mn (vs €17.4mn YoY). PAT improved to +€0.6mn vs €0.7mn loss in Q3. FY24 revenue was down to €63.3mn (vs €64.5mn YoY), while losses reduced to €1.5mn (vs €3.7mn YoY). Excluding €2.8mn PPA write-off, PBT was €1mn. ~10% FY25 growth guidance led by recovery in Europe economic activity and pick-up in private label demand.
- Acquired assets, technology and brand of Dronco (Germany). Moving assets to India, which will take 18 months to setup. This will add ~50mn thin-wheel abrasives capacity and Rs2.5-3bn additional sales from FY27 onwards.
- **AWUKO:** Q4FY24 revenue came in at €2.55mn (vs €2.6mn YoY) and loss was down to €0.4mn (vs €1.2mn YoY). FY24 revenue was down 3% to €9.1mn and loss narrowed to €2.3mn (vs €3.7mn). Guiding for €17-18mn sales, EBITDA breakeven, and €0.7-1mn loss in FY25. Key drivers will be wood & leather, reducing lead time, and getting back 70 customers who had left pre-acquisition.

- **Consol. Ceramics:** FY24 revenue growth would have been 6.3% (vs 4.8%) excluding FX impact in VAW. Australian and American subsidiaries recorded mid-teen growth in FY24. All companies contributed to margin improvement. 12-14% revenue growth guidance in FY25 with similar margin level as FY24.
- **Industrial Ceramics:** Standalone wear ceramics & metallized cylinders grew in high teens in FY24 and should continue to do well in FY25. Engineered ceramics sales declined due to ordering delay by one customer. Should improve in FY25 with pick-up in segments such as night vision lamps, defence, etc. Guided to grow 13-15% in FY25 led by India and America. Key drivers include medium voltage T&D, defence, mobility, etc.
- **Refractories:** Standalone sales grew 13.5% in FY24. Guided to grow 12-13% in FY25 led by chemical processing industry in North America, Europe and MENA regions, along with market opportunities in iron & steel, cement, and carbon black.
- **Standalone Ceramics:** Margin fell in Q4 mainly on account of mix between industrial ceramics and refractories and product mix within industrial ceramics.
- **Consol. Electrominerals:** FY24 revenue growth would have been 8.9% (vs 5.4% de-growth) excluding FX impact in VAW. Standalone/Foskor Zirconia PBIT fell by Rs280mn/200mn. FY25 growth guidance of 5-6% led by India (~10% growth) and Foskor Zirconia, while VAW is expected to remain flattish. Margin to improve by 20-30bps. Specialty products (alumina zirconia, thermal spray powders, graphene, silicon nitride, HPSiC) account for 11-12% of segment sales; aim to increase this to 25% by FY30, which will aid margins.
- **Standalone Electrominerals:** High-teen volume growth in Aluminas in FY24. Silicon carbide volumes were marginally better vs FY23 but price realization was impacted by Chinese dumping. Margin will likely remain around 9-9.5% until pressure from Chinese dumping eases in next few quarters. Working with government to look at anti-dumping measures. Trying to bring costs down via productivity, better sourcing, and energy cost reduction.
- **Setting up 6MT per month capacity of high purity silicon carbide (HPSiC),** to cater to semiconductor wafer manufacturing and technical ceramics (for semiconductor equipment, defence, electronics, EVs, etc. Will take 18 months to set up in Kerala. Realizations are 20-25x of current realizations.
- **VAW:** Q4FY24 sales grew to RUB2.3bn, while profit rose to RUB384mn (vs RUB349mn YoY). FY24 sales grew ~20% YoY to RUB9.7bn owing to better sales volumes in silicon carbide, abrasives and refractories, while profit rose to RUB1.6bn vs RUB1.2bn in FY23. FY24 sales declined 8-9% in INR terms as FX rate decreased to 0.92 (vs 1.23 in FY23). Mix of sales to Russia is up to 59% vs 57% YoY (45% pre-conflict). Capacity utilization is good, company remains debt free, and outlook is positive.
- **Foskor Zirconia:** Volume declined ~16% in FY24 due to delayed offtake from 3 customers in Q2 & Q3. Q1 & Q4 volumes were ~1,000 MT each, and this momentum is expected to continue into FY25.
- **Planned Rs3.5bn capex** in FY25 (vs average of Rs1.95bn over last 5 years).

Financials

Income Statement (Rs m)

Y/e Mar	FY23	FY24	FY25E	FY26E
Net Revenues	46,543	47,022	51,943	59,057
YoY gr. (%)	40.0	1.0	10.5	13.7
Cost of Goods Sold	17,141	16,973	18,180	20,493
Gross Profit	29,402	30,049	33,763	38,564
Margin (%)	63.2	63.9	65.0	65.3
Employee Cost	6,923	7,201	6,986	7,766
Other Expenses	15,960	15,460	18,128	20,493
EBITDA	6,519	7,388	8,649	10,305
YoY gr. (%)	21.5	13.3	17.1	19.2
Margin (%)	14.0	15.7	16.7	17.5
Depreciation and Amortization	1,873	1,908	2,415	2,638
EBIT	4,645	5,481	6,234	7,668
Margin (%)	10.0	11.7	12.0	13.0
Net Interest	235	183	66	34
Other Income	767	767	875	1,029
Profit Before Tax	5,426	6,064	7,043	8,662
Margin (%)	11.7	12.9	13.6	14.7
Total Tax	1,382	1,741	1,775	2,183
Effective tax rate (%)	25.5	28.7	25.2	25.2
Profit after tax	4,044	4,323	5,268	6,479
Minority interest	277	149	211	259
Share Profit from Associate	373	439	534	657
Adjusted PAT	3,954	4,613	5,592	6,877
YoY gr. (%)	18.6	16.7	21.2	23.0
Margin (%)	8.5	9.8	10.8	11.6
Extra Ord. Income / (Exp)	186	-	-	-
Reported PAT	4,140	4,613	5,592	6,877
YoY gr. (%)	24.2	11.4	21.2	23.0
Margin (%)	8.9	9.8	10.8	11.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,140	4,613	5,592	6,877
Equity Shares O/s (m)	190	190	190	190
EPS (Rs)	20.8	24.2	29.4	36.1

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY23	FY24	FY25E	FY26E
Non-Current Assets				
Gross Block	18,221	20,535	22,835	25,335
Tangibles	18,221	20,535	22,835	25,335
Intangibles	-	-	-	-
Acc: Dep / Amortization	7,772	9,679	12,094	14,732
Tangibles	7,772	9,679	12,094	14,732
Intangibles	-	-	-	-
Net fixed assets	10,449	10,855	10,741	10,603
Tangibles	10,449	10,855	10,741	10,603
Intangibles	-	-	-	-
Capital Work In Progress	875	781	850	924
Goodwill	4,818	4,755	5,121	5,263
Non-Current Investments	1,805	1,922	2,213	2,476
Net Deferred tax assets	(250)	(196)	(153)	(90)
Other Non-Current Assets	762	1,106	1,327	1,592
Current Assets				
Investments	-	-	-	-
Inventories	8,989	8,502	9,989	11,209
Trade receivables	6,274	6,790	7,175	8,006
Cash & Bank Balance	4,001	5,579	7,259	10,907
Other Current Assets	910	692	1,299	1,476
Total Assets	39,244	41,519	46,566	53,130
Equity				
Equity Share Capital	190	190	190	190
Other Equity	28,016	31,067	35,803	41,394
Total Network	28,206	31,257	35,993	41,584
Non-Current Liabilities				
Long Term borrowings	429	275	275	275
Provisions	238	244	208	236
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	1,872	852	602	352
Trade payables	3,359	3,978	4,412	5,016
Other current liabilities	2,950	2,008	2,354	2,685
Total Equity & Liabilities	39,244	41,126	46,566	53,130

Source: Company Data, PL Research



Cash Flow (Rs m)

Y/e Mar	FY23	FY24	FY25E	FY26E
PBT	5,799	6,503	7,043	8,662
Add. Depreciation	1,873	1,908	2,415	2,638
Add. Interest	235	183	66	34
Less Financial Other Income	767	767	875	1,029
Add. Other	(450)	(276)	-	-
Op. profit before WC changes	7,458	8,318	9,524	11,335
Net Changes-WC	(1,531)	(206)	(2,105)	(1,312)
Direct tax	(1,625)	(2,097)	(1,775)	(2,183)
Net cash from Op. activities	4,302	6,015	5,644	7,840
Capital expenditures	(2,917)	(2,184)	(2,955)	(2,746)
Interest / Dividend Income	277	425	-	-
Others	68	(106)	485	456
Net Cash from Invt. activities	(2,572)	(1,865)	(2,471)	(2,290)
Issue of share cap. / premium	28	137	-	-
Debt changes	(313)	(1,190)	(250)	(250)
Dividend paid	(765)	(793)	(856)	(1,286)
Interest paid	(220)	(152)	(66)	(34)
Others	(64)	(130)	(417)	(331)
Net cash from Fin. activities	(1,334)	(2,129)	(1,589)	(1,901)
Net change in cash	396	2,021	1,584	3,649
Free Cash Flow	1,373	3,822	2,689	5,094

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY23	FY24	FY25E	FY26E
Per Share(Rs)				
EPS	20.8	24.2	29.4	36.1
CEPS	30.6	34.3	42.1	50.0
BVPS	148.2	164.3	189.2	218.6
FCF	7.2	20.1	14.1	26.8
DPS	3.5	4.0	6.8	8.3
Return Ratio(%)				
RoCE	16.5	17.4	18.0	19.4
ROIC	14.3	15.1	17.0	20.0
RoE	15.3	15.5	16.6	17.7
Balance Sheet				
Net Debt : Equity (x)	(0.1)	(0.1)	(0.2)	(0.2)
Net Working Capital (Days)	93	88	90	88
Valuation(x)				
PER	73.0	62.5	51.6	41.9
P/B	10.2	9.2	8.0	6.9
P/CEPS	49.5	44.2	36.0	30.3
EV/EBITDA	44.0	38.4	32.6	27.0
EV/Sales	6.2	6.0	5.4	4.7
Dividend Yield (%)	0.2	0.3	0.4	0.5

Source: Company Data, PL Research

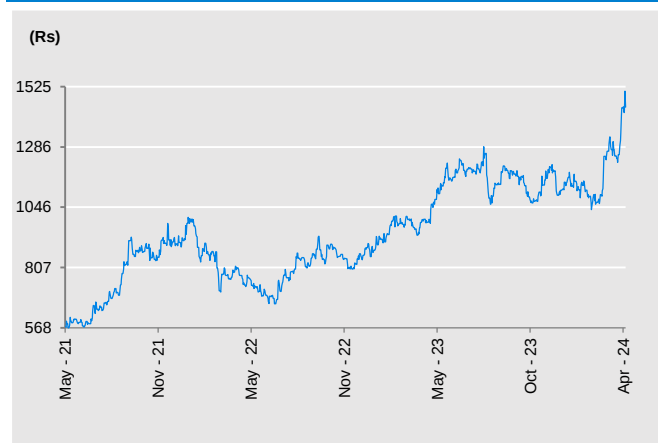
Quarterly Financials (Rs m)

Y/e Mar	Q1FY24	Q2FY24	Q3FY24	Q4FY24
Net Revenue	12,032	11,463	11,514	12,012
YoY gr. (%)	5.6	1.6	(3.0)	0.1
Raw Material Expenses	4,681	4,047	4,135	4,264
Gross Profit	7,351	7,417	7,379	7,748
Margin (%)	61.1	64.7	64.1	64.5
EBITDA	1,694	1,675	1,925	2,094
YoY gr. (%)	32.9	2.8	12.5	10.0
Margin (%)	14.1	14.6	16.7	17.4
Depreciation / Depletion	457	459	482	510
EBIT	1,237	1,217	1,443	1,584
Margin (%)	10.3	10.6	12.5	13.2
Net Interest	52	49	47	36
Other Income	309	196	136	125
Profit before Tax	1,494	1,364	1,532	1,674
Margin (%)	12.4	11.9	13.3	13.9
Total Tax	418	437	514	371
Effective tax rate (%)	28.0	32.1	33.6	22.2
Profit after Tax	1,076	927	1,017	1,303
Minority interest	45	20	7	77
Share Profit from Associates	101	112	103	123
Adjusted PAT	1,132	1,019	1,113	1,348
YoY gr. (%)	43.7	14.5	2.0	14.3
Margin (%)	9.4	8.9	9.7	11.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,132	1,019	1,113	1,348
YoY gr. (%)	43.7	14.5	2.0	(1.7)
Margin (%)	9.4	8.9	9.7	11.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,132	1,019	1,113	1,348
Avg. Shares O/s (m)	190	190	190	190
EPS (Rs)	6.0	5.4	5.9	7.1

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	12-Apr-24	BUY	1,347	1,273
2	04-Feb-24	BUY	1,347	1,116
3	09-Jan-24	BUY	1,408	1,132
4	30-Oct-23	BUY	1,408	1,076
5	05-Oct-23	BUY	1,482	1,192
6	05-Aug-23	BUY	1,482	1,259
7	06-Jul-23	BUY	1,501	1,203
8	26-Jun-23	BUY	1,501	1,193

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	Accumulate	5,331	6,645
2	Apar Industries	Accumulate	6,564	7,153
3	BEML	BUY	3,345	3,465
4	Bharat Electronics	Hold	182	229
5	BHEL	UR	-	263
6	Carborundum Universal	BUY	1,347	1,273
7	Cummins India	Hold	2,480	3,001
8	Engineers India	Hold	257	223
9	GE T&D India	UR	-	930
10	Grindwell Norton	Accumulate	2,512	2,075
11	Harsha Engineers International	Accumulate	441	412
12	Hindustan Aeronautics	Hold	2,787	3,565
13	Kalpataru Projects International	BUY	1,025	1,194
14	KEC International	Hold	686	765
15	Larsen & Toubro	BUY	4,071	3,753
16	Praj Industries	BUY	636	520
17	Siemens	Accumulate	4,617	5,570
18	Thermax	UR	-	4,550
19	Triveni Turbine	BUY	532	555
20	Voltamp Transformers	Hold	10,018	9,985

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

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Amit Anwani- MBA (Finance), Mr. Shirom Kapur- BSc, Passed CFA Level III Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Amit Anwani- MBA (Finance), Mr. Shirom Kapur- BSc, Passed CFA Level III Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com