

October 29, 2024

## Q2FY25 Result Update

█ Change in Estimates | █ Target | █ Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	804		804	
Sales (Rs. m)	49,654	61,676	49,655	61,671
% Chng.	-	-	-	-
EBITDA (Rs. m)	5,958	7,833	5,834	7,709
% Chng.	2.1	1.6	-	-
EPS (Rs.)	23.6	31.5	23.6	31.2
% Chng.	(0.1)	0.8	-	-

### Key Financials - Consolidated

Y/e Mar	FY24	FY25E	FY26E	FY27E
Sales (Rs. m)	34,663	39,070	49,654	61,676
EBITDA (Rs. m)	3,718	4,493	5,958	7,833
Margin (%)	10.7	11.5	12.0	12.7
PAT (Rs. m)	2,834	3,153	4,345	5,784
EPS (Rs.)	15.4	17.2	23.6	31.5
Gr. (%)	18.2	11.3	37.8	33.1
DPS (Rs.)	6.0	6.9	9.5	15.1
Yield (%)	0.9	1.0	1.3	2.2
RoE (%)	24.1	22.7	26.3	28.8
RoCE (%)	25.6	23.8	28.3	32.2
EV/Sales (x)	3.6	3.1	2.4	1.9
EV/EBITDA (x)	33.4	27.3	20.3	15.1
PE (x)	45.4	40.8	29.6	22.3
P/BV (x)	10.1	8.6	7.1	5.8

### Key Data

PRAJ.BO | PRJ IN

52-W High / Low	Rs.827 / Rs.448
Sensex / Nifty	80,005 / 24,339
Market Cap	Rs.129bn/ \$ (2,14,68,26,273)m
Shares Outstanding	184m
3M Avg. Daily Value	Rs.1170.75m

### Shareholding Pattern (%)

Promoter's	32.81
Foreign	19.03
Domestic Institution	17.34
Public & Others	30.82
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(12.6)	34.0	29.7
Relative	(6.5)	23.5	3.4

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## Mixed Q2; all eyes on execution & intake in H2

### Quick Pointers:

- Domestic order intake grew 14% YoY to Rs8.7bn in Q2, led by Bio Energy
- Inaugurated India's first-of-its-kind biopolymer demo facility showcasing indigenously developed integrated polylactic acid (PLA) technology

*We revise our FY25E EPS estimate by -2.6% factoring in higher D&A and interest costs from the new GenX facility and lower execution in Bio Energy. Praj Industries (PRJ) reported mixed quarterly performance with revenue falling 7.5% YoY and EBITDA margin expanding by 271bps YoY to 11.5%. Starch-based ethanol plants continue to gain strong traction in India and international markets such as Brazil, Argentina, Panama, Paraguay and Africa, particularly with maize as feedstock. India's prospective 25% ethanol blending target will drive additional opportunities. Meanwhile, a strong pipeline continues to build in SAF, ETCA, CBG, services, and HiPurity solutions, with business expected to firm up in H2. Praj's services business is also generating healthy enquiries in performance enhancers, O&M and biogenic CO2 capture. Going forward, execution pace will be a key monitorable.*

*We remain positive on PRJ in the long run given 1) its leadership in domestic ethanol projects (50-55% market share), 2) healthy export outlook in Engineering driven by ETCA, 3) large pipeline in SAF in the US and domestic CBG, 4) focus on new technologies such as 2G ethanol and biopolymers, and 5) improving margins owing to growing share of exports & services. The stock is trading at a P/E of 40.8x/29.6x/22.3x on FY25/26/27E earnings. We maintain 'Buy' rating with an unchanged TP of Rs804, valuing the stock at a P/E of 34x FY26E (same as earlier).*

### Favorable mix drives margin expansion; Bio Energy execution remains soft:

Consolidated revenue fell 7.5% YoY to Rs8.2bn (PLe: Rs9.2bn) driven by weak execution in Bio Energy (-20% YoY to Rs5.6bn), while Engineering grew strongly by 51% YoY to Rs1.9bn and HiPurity rose 13% YoY to Rs630mn. Domestic/export mix came in at 73%/27% (vs 84%/16% in Q2FY24). Gross margin expanded by 396bps YoY to 47.4% (PLe: 46.2%), aided by better sales mix and softening RM costs. EBITDA grew 20.9% YoY to Rs941mn (PLe: Rs1.0bn). EBITDA margin increased by 271bps YoY to 11.5% (PLe: 11.2%), as the gross margin expansion was partly offset by reduced leverage on fixed costs (employee /other expenses up 30bps/95bps YoY as % of sales). PAT declined 13.7% YoY to Rs538mn (PLe: Rs722mn) owing to a jump in D&A/interest expenses to Rs206mn/Rs47mn (vs Rs91mn/Rs10mn in Q2FY24) on account of the new GenX facility and lower other income (-67.3% YoY to Rs56mn) due to Rs100mn MTM loss on forward contracts.

### Delays in Engineering export order finalization lead to decline in order intake:

Q2 order inflow fell 13% YoY to Rs9.2bn due to a sharp fall in Engineering (-76% YoY to Rs0.5bn) and HiPurity (-48% YoY to Rs0.5bn). Bio Energy orders grew 12% YoY to Rs8.1bn. Domestic/export inflow mix stood at 94%/6% (vs 71%/29% in Q2FY24). Order book stands at Rs41.5bn (1.2x TTM revenue) – 76%/5%/19% in Bio Energy/Engineering/ HiPurity and 72%/28% in domestic/exports.

**Exhibit 1: Margins expand led by favorable mix; D&A & interest costs of GenX facility and MTM losses drag PAT**

Rs mn	Q2FY25	Q2FY24	YoY gr.	Q2FY25E	Var.	Q1FY25	QoQ gr.	H1FY25	H1FY24	YoY gr.
<b>Revenue</b>	<b>8,162</b>	<b>8,824</b>	<b>-7.5%</b>	<b>9,218</b>	<b>-11.5%</b>	<b>6,991</b>	<b>16.7%</b>	<b>15,153</b>	<b>16,191</b>	<b>-6.4%</b>
Gross Profit	3,870	3,835	0.9%	4,259	-9.1%	3,688	4.9%	7,558	6,807	11.0%
Margin (%)	47.4	43.5	396	46.2	121.6	52.7	(533)	49.9	42.0	784
Employee Cost	847	889	-4.8%	876	-3.3%	777	9.0%	1,623	1,517	7.0%
as % of sales	10.4	10.1	30	9.5	87.2	11.1	(74)	10.7	9.4	135
Other expenditure	2,082	2,167	-3.9%	2,351	-11.4%	2,043	1.9%	4,125	3,798	8.6%
as % of sales	25.5	24.6	95	25.5	1.0	29.2	(372)	27.2	23.5	376
<b>EBITDA</b>	<b>941</b>	<b>779</b>	<b>20.9%</b>	<b>1,032</b>	<b>-8.8%</b>	<b>868</b>	<b>8.5%</b>	<b>1,809</b>	<b>1,492</b>	<b>21.3%</b>
Margin (%)	11.5	8.8	271	11.2	33.4	12.4	(88)	11.9	9.2	273
Depreciation	206	91	126.7%	210	-2.1%	202	2.0%	407	179	127.8%
<b>EBIT</b>	<b>736</b>	<b>688</b>	<b>7.0%</b>	<b>822</b>	<b>-10.5%</b>	<b>666</b>	<b>10.4%</b>	<b>1,402</b>	<b>1,313</b>	<b>6.8%</b>
Margin (%)	9.0	7.8	122	8.9	9.3	9.5	(52)	9.3	8.1	114
Other Income	56	171	-67.3%	180	-69.0%	172	-67.5%	228	333	-31.7%
Interest	47	10	359.7%	40	17.9%	49	-4.1%	96	21	353.8%
PBT (ex. Extra-ordinaries)	744	848	-12.2%	962	-22.7%	789	-5.6%	1,533	1,625	-5.7%
Margin (%)	9.1	9.6	(49)	10.4	(132.0)	11.3	(216)	10.1	10.0	8
Extraordinary Items	-	-	-	-	-	282	-	282	-	-
<b>PBT</b>	<b>744</b>	<b>848</b>	<b>-12.2%</b>	<b>962</b>	<b>-22.7%</b>	<b>1,070</b>	<b>-30.5%</b>	<b>1,815</b>	<b>1,625</b>	<b>11.7%</b>
Total Tax	206	224	-8.2%	241	-	229	-9.8%	435	415	4.8%
Effective Tax Rate (%)	27.7	26.5	-	25.0	-	21.4	-	24.0	25.5	-
<b>Reported PAT</b>	<b>538</b>	<b>624</b>	<b>-13.7%</b>	<b>722</b>	<b>-25.4%</b>	<b>842</b>	<b>-36.1%</b>	<b>1,380</b>	<b>1,210</b>	<b>14.0%</b>
<b>Adj. PAT</b>	<b>538</b>	<b>624</b>	<b>-13.7%</b>	<b>722</b>	<b>-25.4%</b>	<b>620</b>	<b>-13.2%</b>	<b>1,159</b>	<b>1,210</b>	<b>-4.3%</b>
Margin (%)	6.6	7.1	(47)	7.8	(123.6)	8.9	(228)	7.6	7.5	17
<b>Adj. EPS</b>	<b>2.9</b>	<b>3.4</b>	<b>-13.7%</b>	<b>3.9</b>	<b>-25.4%</b>	<b>3.4</b>	<b>-13.2%</b>	<b>6.3</b>	<b>6.6</b>	<b>-4.3%</b>

Source: Company, PL

**Exhibit 2: Subdued execution in Bio Energy drags down revenue; exports see strong growth led by Engineering**

Segment Revenue (Rs mn)	Q2FY25	Q2FY24	YoY gr.	Q1FY25	QoQ gr.	H1FY25	H1FY24	YoY gr.
Bio Energy	5,600	6,980	-19.8%	5,040	11.1%	10,640	12,857	(17.2)
HiPurity	630	560	12.5%	530	18.9%	1,160	1,051	10.4
Engineering	1,930	1,280	50.8%	1,420	35.9%	3,350	2,278	47.1
<b>Total</b>	<b>8,160</b>	<b>8,820</b>	<b>-7.5%</b>	<b>6,990</b>	<b>16.7%</b>	<b>15,150</b>	<b>16,186</b>	<b>(6.4)</b>

**Mix (%)**

Bio Energy	68.6	79.1	(13.3)	72.1	(348)	70.2	79.4	(11.6)
HiPurity	7.7	6.3	21.6	7.6	14	7.7	6.5	17.9
Engineering	23.6	14.5	63.0	20.3	334	22.1	14.1	57.1

**Geographic Revenue (Rs mn)**

Domestic	5,958	7,412	-19.6%	5,383	10.7%	11,342	13,527	(16.2)
Export	2,204	1,412	56.1%	1,608	37.0%	3,812	2,664	43.1
<b>Total</b>	<b>8,162</b>	<b>8,824</b>	<b>-7.5%</b>	<b>6,991</b>	<b>16.7%</b>	<b>15,153</b>	<b>16,191</b>	<b>(6.4)</b>

**Mix (%)**

Domestic	73.0	84.0	(13.1)	77.0	(400)	74.8	83.5	(10.4)
Export	27.0	16.0	68.8	23.0	400	25.2	16.5	52.9

Source: Company, PL

## Conference Call Highlights

- **1G Domestic:** 100% of orders booked in H1 are for starchy feedstock. Sugary feedstock accounts for a miniscule share of 1G order book.
  - Maize/corn as a feedstock is gaining strong traction. The government is focused on increasing domestic corn production to enhance availability.
  - Execution pace has been slow. Projects that were in the pipeline a year ago before the ban on sugar and rice as feedstock, would have come into execution in H1FY25, but did not end up going through.
  - Ban on use of cane juice/syrup and B-heavy molasses for ethanol production has now been lifted, but sugar plants are seeking long-term visibility on the policy before taking investment decisions to set up plants.
  - 2.3mn MT of FCI rice is now available for procurement, but high grain prices have impacted project viability.
- With 20% ethanol petrol blending on track, food ministry has approached NITI Aayog to build a roadmap for 25% ethanol blending. 3-3.5bn liters of additional ethanol production capacity would be required to increase blending by 5%.
- **Ethanol blending in diesel** is progressing positively. 1bn liters of additional ethanol capacity for diesel blending requires 30-35 new plants with 100KLPD capacity. Praj can capture 40-50% of the Rs1-1.25bn cost per plant, translating to an opportunity size of Rs18-20bn.
- **2G Domestic:** Cellulosic feedstock is largely untapped in India with millions of tons going unused, which can help boost ethanol feedstock availability. The industry needs to develop a farm-to-factory supply chain for this. Bagasse from sugar mills will also become increasingly available as energy mix shifts towards solar & wind. It can be an excellent feedstock for 2G ethanol and will help meet lower carbon intensity targets for areas such as SAF.
- **1G International:** Brazil passed Fuel of the Future law to increase ethanol blending to 30% from 27%. This will require ~4bn liters of additional ethanol production capacity – mostly from starchy feedstock where Praj's solutions are gaining good traction. Argentina, Panama and Paraguay are also discussing increased blending mandates, primarily from starchy feedstock. There is strong inflow of enquires from Brazil, Argentina and Paraguay for corn ethanol. Meanwhile, clean cooking initiative is likely to open up ethanol capacity creation opportunity in Africa, which will be a mix of starchy and sugary.
- **SAF:** SAF projects on ATJ pathway are seeing growing traction and will develop meaningfully in H2. Praj can address 40-50% of capex for a greenfield ATJ SAF plant. Potential opportunity worth up to \$400mn for low-carbon ethanol plants for SAF is opening up in the US.
- **ETCA:** Major orders were delayed by a couple of months, resulting in subdued order intake in Q2FY25; however, the overall enquiry pipeline remains strong. New Praj GenX facility in Mangaluru led to higher finance and D&A costs. The facility has received approval from 4 leading global EPC companies, but will

take time to convert into orders. Revenue contribution will kick in in a big way in FY26.

- **CBG:** Pipeline is developing gradually, and can translate into firm business in H2. The company received first international order for biogas desulphurization from the Philippines, and the first order for CBG plant based solely on napier grass as feedstock. Enquiries for plants based on napier grass are increasing, with customers in the market thinking of growing their own feedstock and then putting up the CBG project. Execution of order for 5 CBG plants from a large conglomerate from last year, is going well; it will see noticeable invoicing in H2.
- **Services:** Order book is 1.4x of FY24 order book. Performance enhancers (for ethanol production) and O&M services are seeing strong traction across domestic and international markets. There is a healthy enquiry pipeline for biogenic CO2 capture solutions in fermentation processes.
- **HiPurity solutions:** The segment is witnessing a healthy build-up of the project pipeline, which can translate into orders in H2. The company is trying to engage with several customers who have announced plans to set up semiconductor facilities.
- **Modular ZLD** is gaining momentum with increasing acceptance in the market. Praj's 1<sup>st</sup> modularized ZLD plant was installed in record time of less than a week vs typical time of 6 months.
- **Biopolymers:** Praj inaugurated India's first-of-its-kind demo facility for biopolymers, showcasing indigenously developed integrated PLA technology. The integrated facility houses fermentation, chemical synthesis, separation and purification sections and has production capacities of 100TPA for lactic acid and 60TPA for lactide, which equates to 55TPA of PLA. Many customers from India and abroad have already shown interest. Recent government announcement of the BioE3 policy for fostering high-performance biomanufacturing will boost innovation-driven R&D and manufacturing, as well as the commercialization of technology.
- **Margins** improved on account of favorable revenue mix and softening raw material costs. Q2FY25 gross margin of ~47% is sustainable.
- **Booked ~Rs100mn of MTM losses** on forward contracts in Q2FY25. This resulted from adverse movement in EUR in the last week of Sep, which has reversed since the first week of Oct.

## Financials

### Income Statement (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Net Revenues</b>	<b>34,663</b>	<b>39,070</b>	<b>49,654</b>	<b>61,676</b>
YoY gr. (%)	(1.8)	12.7	27.1	24.2
Cost of Goods Sold	19,621	20,903	27,061	33,614
Gross Profit	15,042	18,168	22,592	28,063
Margin (%)	43.4	46.5	45.5	45.5
Employee Cost	3,187	3,555	4,370	5,304
Other Expenses	1,950	2,774	3,227	3,886
<b>EBITDA</b>	<b>3,718</b>	<b>4,493</b>	<b>5,958</b>	<b>7,833</b>
YoY gr. (%)	20.8	20.8	32.6	31.5
Margin (%)	10.7	11.5	12.0	12.7
Depreciation and Amortization	441	784	804	822
<b>EBIT</b>	<b>3,278</b>	<b>3,709</b>	<b>5,154</b>	<b>7,011</b>
Margin (%)	9.5	9.5	10.4	11.4
Net Interest	98	156	164	173
Other Income	595	645	794	894
<b>Profit Before Tax</b>	<b>3,775</b>	<b>4,479</b>	<b>5,785</b>	<b>7,733</b>
Margin (%)	10.9	11.5	11.7	12.5
Total Tax	941	1,115	1,440	1,949
Effective tax rate (%)	24.9	24.9	24.9	25.2
<b>Profit after tax</b>	<b>2,834</b>	<b>3,364</b>	<b>4,345</b>	<b>5,784</b>
Minority interest	0	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>2,834</b>	<b>3,153</b>	<b>4,345</b>	<b>5,784</b>
YoY gr. (%)	18.2	11.3	37.8	33.1
Margin (%)	8.2	8.1	8.7	9.4
Extra Ord. Income / (Exp)	-	211	-	-
<b>Reported PAT</b>	<b>2,834</b>	<b>3,364</b>	<b>4,345</b>	<b>5,784</b>
YoY gr. (%)	18.2	18.7	29.1	33.1
Margin (%)	8.2	8.6	8.7	9.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,834	3,364	4,345	5,784
<b>Equity Shares O/s (m)</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>184</b>
<b>EPS (Rs)</b>	<b>15.4</b>	<b>17.2</b>	<b>23.6</b>	<b>31.5</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>7,536</b>	<b>8,336</b>	<b>8,836</b>	<b>9,336</b>
Tangibles	7,536	8,336	8,836	9,336
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>3,464</b>	<b>4,248</b>	<b>5,052</b>	<b>5,873</b>
Tangibles	3,464	4,248	5,052	5,873
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>4,072</b>	<b>4,088</b>	<b>3,784</b>	<b>3,463</b>
Tangibles	4,072	4,088	3,784	3,463
Intangibles	-	-	-	-
Capital Work In Progress	1,106	1,106	1,106	1,106
Goodwill	-	-	-	-
Non-Current Investments	1,367	1,219	1,293	1,377
Net Deferred tax assets	78	78	78	78
Other Non-Current Assets	80	78	99	123
<b>Current Assets</b>				
Investments	4,021	4,884	5,958	7,093
Inventories	2,209	3,532	4,353	5,407
Trade receivables	8,360	9,099	11,427	13,856
Cash & Bank Balance	2,127	2,941	3,362	4,915
Other Current Assets	5,370	5,861	7,200	8,635
<b>Total Assets</b>	<b>28,864</b>	<b>33,003</b>	<b>38,781</b>	<b>46,190</b>
<b>Equity</b>				
Equity Share Capital	368	368	368	368
Other Equity	12,377	14,638	17,722	21,768
<b>Total Networth</b>	<b>12,745</b>	<b>15,006</b>	<b>18,089</b>	<b>22,136</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	1,417	1,417	1,417	1,417
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	276	276	276	276
Trade payables	4,968	5,459	6,802	8,449
Other current liabilities	9,535	10,921	12,274	13,989
<b>Total Equity &amp; Liabilities</b>	<b>28,864</b>	<b>33,003</b>	<b>38,781</b>	<b>46,190</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY24	FY25E	FY26E	FY27E
PBT	3,775	4,479	5,785	7,733
Add. Depreciation	441	784	804	822
Add. Interest	0	156	164	173
Less Financial Other Income	595	645	794	894
Add. Other	(206)	-	-	-
Op. profit before WC changes	4,010	5,419	6,753	8,727
Net Changes-WC	(971)	(568)	(1,892)	(1,681)
Direct tax	(1,045)	(1,115)	(1,440)	(1,949)
<b>Net cash from Op. activities</b>	<b>1,994</b>	<b>3,736</b>	<b>3,420</b>	<b>5,098</b>
Capital expenditures	(885)	(800)	(500)	(500)
Interest / Dividend Income	159	-	-	-
Others	625	(862)	(1,075)	(1,134)
<b>Net Cash from Invst. activities</b>	<b>(101)</b>	<b>(1,662)</b>	<b>(1,575)</b>	<b>(1,634)</b>
Issue of share cap. / premium	9	-	-	-
Debt changes	-	-	-	-
Dividend paid	(827)	(1,103)	(1,261)	(1,738)
Interest paid	(94)	(156)	(164)	(173)
Others	(327)	-	-	-
<b>Net cash from Fin. activities</b>	<b>(1,239)</b>	<b>(1,259)</b>	<b>(1,425)</b>	<b>(1,910)</b>
<b>Net change in cash</b>	<b>654</b>	<b>814</b>	<b>421</b>	<b>1,553</b>
Free Cash Flow	1,101	2,936	2,920	4,598

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Per Share(Rs)</b>				
EPS	15.4	17.2	23.6	31.5
CEPS	17.8	21.4	28.0	35.9
BVPS	69.3	81.6	98.4	120.4
FCF	6.0	16.0	15.9	25.0
DPS	6.0	6.9	9.5	15.1
<b>Return Ratio(%)</b>				
RoCE	25.6	23.8	28.3	32.2
ROIC	36.9	36.0	43.4	53.5
RoE	24.1	22.7	26.3	28.8
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.3)	(0.4)	(0.4)	(0.5)
Net Working Capital (Days)	59	67	66	64
<b>Valuation(x)</b>				
PER	45.4	40.8	29.6	22.3
P/B	10.1	8.6	7.1	5.8
P/CEPS	39.3	32.7	25.0	19.5
EV/EBITDA	33.4	27.3	20.3	15.1
EV/Sales	3.6	3.1	2.4	1.9
Dividend Yield (%)	0.9	1.0	1.3	2.2

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q3FY24	Q4FY24	Q1FY25	Q2FY25
<b>Net Revenue</b>	<b>8,286</b>	<b>10,186</b>	<b>6,991</b>	<b>8,162</b>
YoY gr. (%)	(9.1)	1.5	(5.1)	(7.5)
Raw Material Expenses	4,496	5,741	3,304	4,292
Gross Profit	3,790	4,444	3,688	3,870
Margin (%)	45.7	43.6	52.7	47.4
<b>EBITDA</b>	<b>965</b>	<b>1,262</b>	<b>868</b>	<b>941</b>
YoY gr. (%)	12.2	20.7	21.7	20.9
Margin (%)	11.6	12.4	12.4	11.5
Depreciation / Depletion	109	153	202	206
<b>EBIT</b>	<b>856</b>	<b>1,109</b>	<b>666</b>	<b>736</b>
Margin (%)	10.3	10.9	9.5	9.0
Net Interest	38	38	49	47
Other Income	101	160	172	56
<b>Profit before Tax</b>	<b>919</b>	<b>1,230</b>	<b>789</b>	<b>744</b>
Margin (%)	11.1	12.1	11.3	9.1
Total Tax	215	311	229	206
Effective tax rate (%)	23.4	25.3	29.0	27.7
<b>Profit after Tax</b>	<b>704</b>	<b>919</b>	<b>560</b>	<b>538</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>704</b>	<b>919</b>	<b>560</b>	<b>538</b>
YoY gr. (%)	13.0	4.3	(4.5)	(13.7)
Margin (%)	8.5	9.0	8.0	6.6
Extra Ord. Income / (Exp)	-	-	282	-
<b>Reported PAT</b>	<b>704</b>	<b>919</b>	<b>842</b>	<b>538</b>
YoY gr. (%)	13.0	4.3	43.5	(13.7)
Margin (%)	8.5	9.0	12.0	6.6
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>704</b>	<b>919</b>	<b>842</b>	<b>538</b>
Avg. Shares O/s (m)	184	184	184	184
<b>EPS (Rs)</b>	<b>3.8</b>	<b>5.0</b>	<b>3.0</b>	<b>2.9</b>

Source: Company Data, PL Research

**Price Chart**



**Recommendation History**

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Oct-24	BUY	804	761
2	28-Jul-24	BUY	804	700
3	08-Jul-24	BUY	815	733
4	14-Jun-24	BUY	815	700
5	31-May-24	BUY	671	522
6	12-Apr-24	BUY	636	520
7	05-Feb-24	BUY	636	474
8	09-Jan-24	Accumulate	611	540
9	01-Nov-23	Accumulate	611	534

**Analyst Coverage Universe**

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	Accumulate	8,833	7,930
2	Apar Industries	BUY	10,399	9,514
3	BEML	Accumulate	4,484	3,664
4	Bharat Electronics	Accumulate	341	277
5	BHEL	Reduce	264	268
6	Carborundum Universal	Hold	1,650	1,469
7	Cummins India	Accumulate	4,081	3,624
8	Engineers India	BUY	250	188
9	GE T&D India	Hold	1,601	1,661
10	Grindwell Norton	Accumulate	2,749	2,441
11	Harsha Engineers International	Hold	566	502
12	Hindustan Aeronautics	Hold	4,515	4,257
13	Kalpataru Projects International	Accumulate	1,413	1,348
14	KEC International	Hold	880	1,032
15	Larsen & Toubro	BUY	4,130	3,494
16	Praj Industries	BUY	804	761
17	Siemens	Accumulate	7,374	7,247
18	Thermax	Reduce	4,186	5,193
19	Triveni Turbine	BUY	719	671
20	Voltamp Transformers	Accumulate	14,922	12,236

**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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