

February 4, 2025

## Q3FY25 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
<b>Rating</b>	ACCUMULATE		HOLD	
<b>Target Price</b>	930		997	
Sales (Rs. m)	2,60,768	2,96,858	2,62,710	2,98,341
% Chng.	(0.7)	(0.5)		
EBITDA (Rs. m)	24,121	28,944	24,826	29,685
% Chng.	(2.8)	(2.5)		
EPS (Rs.)	45.8	58.8	50.0	62.0
% Chng.	(8.3)	(5.2)		

### Key Financials - Consolidated

Y/e Mar	FY24	FY25E	FY26E	FY27E
Sales (Rs. m)	1,99,142	2,21,609	2,60,768	2,96,858
EBITDA (Rs. m)	12,146	16,177	24,121	28,944
Margin (%)	6.1	7.3	9.3	9.7
PAT (Rs. m)	3,468	6,282	12,199	15,646
EPS (Rs.)	13.0	23.6	45.8	58.8
Gr. (%)	97.0	81.2	94.2	28.3
DPS (Rs.)	3.9	4.7	9.2	11.8
Yield (%)	0.5	0.6	1.1	1.4
RoE (%)	8.8	13.1	20.1	21.5
RoCE (%)	11.0	12.7	17.2	18.3
EV/Sales (x)	1.3	1.1	1.0	0.8
EV/EBITDA (x)	20.9	15.4	10.4	8.7
PE (x)	62.4	34.5	17.7	13.8
P/BV (x)	5.3	3.9	3.3	2.7

### Key Data

KECL.BO | KECI IN

52-W High / Low	Rs.1,313 / Rs.636
Sensex / Nifty	78,584 / 23,739
Market Cap	Rs.216bn / \$ 2,485m
Shares Outstanding	266m
3M Avg. Daily Value	Rs.1215.99m

### Shareholding Pattern (%)

Promoter's	50.10
Foreign	15.20
Domestic Institution	24.91
Public & Others	9.79
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(33.6)	(7.9)	22.0
Relative	(33.0)	(5.0)	11.9

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## In-line Q3; Execution in focus amid strong inflows

### Quick Pointers:

- Tender pipeline stands at ~Rs1.5trn, with T&D being the primary driver
- Management downward revised its FY25 guidance of ~15% revenue growth to 12-14% while it has maintained its order intake guidance of Rs250bn.

**We revise our EPS estimates by -8.3%/-5.2% factoring in slower margin recovery amid higher revenue mix of non-T&D and upgrade the rating to 'Accumulate' from Hold due to recent sharp correction in the stock with a revised TP of Rs930 (Rs997 earlier). KEC International (KEC) reported a revenue growth of 6.8% YoY, while EBITDA margin expanded by 85bps YoY to 7.0%. The domestic T&D opportunity pipeline remains strong, driven by increasing momentum in the power sector. Internationally, T&D prospects are expanding across key regions, including the Middle East, Africa, CIS, and the Americas, with Saudi Arabia leading investments in energy transition and T&D infrastructure. SAE Towers continues to witness healthy demand; however, the depreciation of the Brazilian currency against the USD has tempered growth in this segment. Meanwhile, the Oil & Gas sector continues to face challenges due to tendering delays from Oil PSUs. Persistent labor shortages and collection delays in Water projects and Railways have prompted management to revise its topline growth guidance downward from ~15% to 12-14% YoY. In response, the company remains selective in Civil and Railway order bookings, prioritizing cash flow certainty and shorter execution cycles.**

**We remain positive on KEC for the long term given its 1) strong order book, 2) healthy execution momentum, 3) robust T&D outlook, especially in renewable energy, and 4) expansion of Cables business. The stock is currently trading at a P/E of 17.7x/13.8x on FY26/27E earnings. We value the stock at a PE of 18x on Sep'26E EPS (same as earlier). Upgrade to 'Accumulate'.**

**Decent execution drives topline & margins; Sales mix aids PAT:** Consolidated revenue rose 6.8% YoY to Rs53.5bn (PLe: Rs53.5bn), led by healthy execution in standalone T&D (+20.3% YoY to Rs28.7bn), Cables (+6.0% YoY to Rs4.1bn), Renewables (+51.6% YoY to Rs2.4bn) and Civil (+0.3% YoY to Rs11.0bn). Meanwhile, Railways revenue was down 30.2% YoY to Rs4.6bn, SAE Towers fell 9.1% YoY to Rs3.1bn, and Oil & Gas fell 58.2% YoY to Rs760mn. Gross margin increased by 212bps YoY to 22.8% (PLe: 22.5%). EBITDA grew 21.6% YoY to Rs3.7bn (PLe: Rs3.7bn). EBITDA margin increased by 85bps YoY to 7.0% (PLe: 6.9%) as improved gross margins were partially offset by relatively higher other expenses (+140bps YoY % of sales). Adj PAT jumped 33.7% YoY to Rs1.3bn (PLe: Rs1.5bn), driven by improved operating performance and lower effective tax rate (18.9% vs 19.8% in Q3Fy24) which was partially offset by lower other income (-96.5% YoY to Rs9mn).

**Robust order book including L1 position stands at Rs410bn:** Q3FY25 order intake grew 121.2% YoY to Rs85.2bn, with SAE Towers' intake growing ~3x YoY to Rs8.5bn (vs Rs1.9bn in Q3FY24) and Railways inflow growing ~4x YoY to Rs8.6bn (vs Rs1.8bn in Q3FY24), while standalone T&D bagged orders worth ~Rs52.8bn. Order book stands at Rs374.4bn (1.8x TTM revenue). KEC also holds L1 positions worth ~Rs40bn, primarily in T&D.

**Exhibit 1: Improved sales mix drives margins and net profitability; despite significantly lower other income**

Y/e March (Rs mn)	Q3FY25	Q3FY24	YoY gr.	Q3FY25E	% Var.	Q2FY25	QoQ gr.	9MFY25	9MFY24	YoY gr.
<b>Revenue</b>	<b>53,494</b>	<b>50,067</b>	<b>6.8%</b>	<b>53,532</b>	<b>-0.1%</b>	<b>51,133</b>	<b>4.6%</b>	<b>1,49,746</b>	<b>1,37,493</b>	<b>8.9%</b>
Gross Profit	12,184	10,344	17.8%	12,045	1.2%	11,633	4.7%	34,558	31,291	10.4%
Margin (%)	22.8	20.7	212	22.5	28	22.8	3	23.1	22.8	32
Employee Cost	3,800	3,624	4.8%	3,854	-1.4%	4,044	-6.0%	11,539	10,964	5.2%
as % of sales	7.1	7.2	(14)	7.2	(10)	7.9	(81)	7.7	8.0	(27)
Other expenditure	4,640	3,640	27.5%	4,497	3.2%	4,387	5.8%	13,369	12,062	10.8%
as % of sales	8.7	7.3	140	8.4	27	8.6	9	8.9	8.8	15
<b>EBITDA</b>	<b>3,745</b>	<b>3,079</b>	<b>21.6%</b>	<b>3,694</b>	<b>1.4%</b>	<b>3,202</b>	<b>16.9%</b>	<b>9,651</b>	<b>8,266</b>	<b>16.8%</b>
Margin (%)	7.0	6.1	85	6.9	10	6.3	74	6.4	6.0	43
Depreciation	453	488	-7.1%	480	-5.6%	453	0.0%	1,372	1,371	0.0%
<b>EBIT</b>	<b>3,291</b>	<b>2,591</b>	<b>27.0%</b>	<b>3,214</b>	<b>2.4%</b>	<b>2,749</b>	<b>19.7%</b>	<b>8,279</b>	<b>6,894</b>	<b>20.1%</b>
Margin (%)	6.2	5.2	98	6.0	15	5.4	78	5.5	5.0	51
Other Income	9	260	-96.5%	130	-93.0%	66	-86.3%	267	446	-40.2%
Interest	1,702	1,644	3.6%	1,338	27.2%	1,681	1.3%	4,933	5,009	-1.5%
<b>PBT (ex. Extra-ordinaries)</b>	<b>1,598</b>	<b>1,207</b>	<b>32.4%</b>	<b>2,005</b>	<b>-20.3%</b>	<b>1,135</b>	<b>40.9%</b>	<b>3,613</b>	<b>2,332</b>	<b>55.0%</b>
Margin (%)	3.0	2.4	58	3.7	(76)	2.2	77	2.4	1.7	72
Extraordinary Items	-	-	-	-	-	-	-	240	-	-
<b>PBT</b>	<b>1,598</b>	<b>1,207</b>	<b>32.4%</b>	<b>2,005</b>	<b>-20.3%</b>	<b>1,135</b>	<b>40.9%</b>	<b>3,853</b>	<b>2,332</b>	<b>65.3%</b>
Total Tax	303	239	26.9%	461	0.0%	281	7.9%	828	382	116.9%
Effective Tax Rate (%)	18.9	19.8	(82)	23.0	-	24.7	(579)	21.5	16.4	512
<b>Reported PAT</b>	<b>1,296</b>	<b>969</b>	<b>33.7%</b>	<b>1,544</b>	<b>-16.1%</b>	<b>854</b>	<b>51.7%</b>	<b>3,026</b>	<b>1,950</b>	<b>55.1%</b>
<b>Adj. PAT</b>	<b>1,296</b>	<b>969</b>	<b>33.7%</b>	<b>1,544</b>	<b>-16.1%</b>	<b>854</b>	<b>51.7%</b>	<b>2,838</b>	<b>1,950</b>	<b>45.5%</b>
Margin (%)	2.4	1.9	49	2.9	(46)	1.7	75	1.9	1.4	48
<b>Adj. EPS</b>	<b>4.9</b>	<b>3.6</b>	<b>33.7%</b>	<b>5.8</b>	<b>-16.1%</b>	<b>3.2</b>	<b>51.7%</b>	<b>10.7</b>	<b>7.3</b>	<b>45.5%</b>

Source: Company, PL

**Exhibit 2: Strong execution in standalone T&D and Solar; while Civil remains muted due to labor issues**

Business-wise Revenue (Rs mn)	Q3FY25	Q3FY24	YoY gr.	Q3FY25E	% Var.	Q2FY25	QoQ gr.	9MFY25	9MFY24	YoY gr.
T&D (KEC)	28,660	23,830	20.3%	27,298	5.0%	25,140	14.0%	75,330	60,900	23.7%
SAE Towers	3,090	3,400	-9.1%	3,375	-8.4%	3,170	-2.5%	9,720	9,820	-1.0%
Cables	4,060	3,830	6.0%	5,011	-19.0%	4,410	-7.9%	12,100	11,850	2.1%
Railways	4,560	6,530	-30.2%	5,550	-17.8%	5,030	-9.3%	14,300	21,930	-34.8%
Solar/Others	2,380	1,570	51.6%	1,278	86.2%	1,810	31.5%	4,920	2,810	75.1%
Civil	11,020	10,990	0.3%	10,584	4.1%	11,520	-4.3%	33,130	31,080	6.6%
Oil & Gas Pipelines	760	1,820	-58.2%	1,636	-53.6%	920	-17.4%	2,940	4,130	-28.8%

Source: Company, PL

## Conference Call Highlights

- **Management revises guidance downwards:** to 12-14% YoY revenue growth compared to 15% YoY revenue growth earlier, For FY26 management retained guidance growth of 15% YoY as strong execution in T&D will aid in EBITDA margin growth of ~150bps YoY and a sustainable PAT margin of 4-5%. With strong order inflows and L1 positions of ~Rs40bn the management expects to beat the guidance of order inflow of Rs250bn for FY25.
- **Net working capital days** increased to 134 (vs 129 YoY). Management is aiming for 110 days by the end of FY25. Rs5-6bn of receivables are set to be realized in Q4FY25 of which Rs1.6bn from Water segment have already been realized. Further collections are expected from Railways and Water segment to realize the remaining Rs3.4-4.4bn by end of Q4FY25.
- **Net debt + acceptances** stood at Rs55.7bn, down Rs4.7bn YoY. Management targets to bring this down to under Rs50bn, which will significantly reduce interest costs. The management expects to realize Rs5-6bn in Q4FY25, of which Rs1.6bn from Water segment is already realized by Jan'25 and remaining balance from Railways and Water segment is expected to realize in Feb-Mar'25.
- **Domestic T&D:** Execution in Q3FY25 was strong, with a healthy growth of ~17% YoY. During Q3FY25 the company secured several key orders including an L1 position for PGCIL and a prestigious order in the HVDC segment. To meet the increasing demand due to increasing demand for power and Government's steadfast focus on expanding renewable energy projects the company has initiated de-bottlenecking program to enhance tower manufacturing capacities at some plants with marginal investment.
- **International T&D:** Order intake YTD has been driven by Middle East, Africa, USA, CIS and Australia. Strong demand is expected from Middle East, especially Saudi Arabia due to its prioritizing investments in energy transition and T&D projects.
- **SAE Towers:** The degrowth in the business was primarily driven by depreciation of Brazilian currency against US\$ by more than 20% over the last one year, however the segment is witnessing significant traction in order inflows from USA, Mexico and Brazil with YTD order being up by ~3.5x YoY to Rs21bn. Meanwhile the company was able to manage debt levels of Rs3bn reflecting reduction of Rs1bn on YoY basis which has significantly brought down interest cost. The management further guided topline growth of 5-6% on YoY basis for the segment owing to the currency depreciation, capacity constraints of the plant and lumpy nature of the orders.
- **Civil:** Order book along with L1 order stands at ~Rs97bn. YTD order intake of Rs23.7bn+ has come from industrial, residential buildings and defense segments, with KEC staying away from large government projects in metros. The challenges regarding labor shortages and deliberate moderation in progress of water projects due to top delayed payments continue to exist; however improved recovery from the water segment; lack of competition, selective order booking and Government's focus on Jal Jeevan Mission may push Civil segment to grow by ~15% in FY26.

- **Cables:** The company has completed the transfer of Cables business to the new subsidiary – KEC Asian Cables effective from 1<sup>st</sup> Jan'25. The company achieved 6% YoY revenue growth in the segment to Rs4.1bn which could have been higher, but it was impacted by unfavorable metal ratio which was skewed towards aluminum. The new aluminum conductor plant has successfully been commissioned in Vadodara with the final phase to be commissioned by the end of Mar'25 and it is expected to generate annual revenue of ~Rs6bn from FY26. To diversify its offerings, the company has also invested ~Rs900mn to set up an e-beam and elastomeric cables plant, which is on track to commence operations by Q4FY26.
- **Railways:** The segment has secured orders worth ~Rs20bn YTD in conventional and emerging areas of metro rail, including a significant order for a tunnel ventilation system. 15-20 legacy projects are progressing well with a completion rate of 95-97% and are expected to be physically completed by Q1FY26. With KEC continuing to be selective on order intake, revenue is expected to remain flattish or grow by 5-10% on higher side in FY26. However, quality of revenue will start improving as the new orders being executed have better margins. Kavach is expected to lead the Railway Segment going forward as Kavach contracts are with a timeline of 6-12 months. Out of the total Rs2.62trn capital outlay allotted to Railways in FY26 union budget, KEC's addressable market stands at ~Rs1.11trn. KECI is working with Kernex to address the demand.
- **Oil & Gas:** The business has been disappointing in terms of the tender pipeline as well as order intake. With the tender pipeline falling, several players are vying for the same tenders, including city gas contractors, thereby pulling down prices and margins. Although there is traction developing in Abu Dhabi for Oil segment with lower competition, further tenders from oil PSUs in Indian Market are expected which might provide green shoot to the segment. The company has also secured its first order in composite space which includes design, supply and building of the project.
- **Solar:** Order book stands at over Rs11bn. The company has made a conscious decision to stay away from Module supplies. KEC successfully commissioned the third phase of 500MGW solar project in Karnatak. Additionally, three solar sires were commissioned for a leading auto ancillary company in India. Alongside, work has also commenced on the recently secured 500MGW solar project in Rajasthan which will be commissioned in phases from Mar'25.

## Financials

### Income Statement (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Net Revenues</b>	<b>1,99,142</b>	<b>2,21,609</b>	<b>2,60,768</b>	<b>2,96,858</b>
YoY gr. (%)	15.2	11.3	17.7	13.8
Cost of Goods Sold	84,080	99,946	1,18,649	1,35,071
Gross Profit	1,15,062	1,21,663	1,42,118	1,61,788
Margin (%)	57.8	54.9	54.5	54.5
Employee Cost	14,406	15,734	18,384	20,632
Other Expenses	9,501	11,080	12,778	14,843
<b>EBITDA</b>	<b>12,146</b>	<b>16,177</b>	<b>24,121</b>	<b>28,944</b>
YoY gr. (%)	46.4	33.2	49.1	20.0
Margin (%)	6.1	7.3	9.3	9.7
Depreciation and Amortization	1,854	1,903	2,165	2,334
<b>EBIT</b>	<b>10,292</b>	<b>14,275</b>	<b>21,956</b>	<b>26,610</b>
Margin (%)	5.2	6.4	8.4	9.0
Net Interest	6,551	6,559	6,635	6,854
Other Income	524	443	522	564
<b>Profit Before Tax</b>	<b>4,265</b>	<b>8,399</b>	<b>15,843</b>	<b>20,320</b>
Margin (%)	2.1	3.8	6.1	6.8
Total Tax	797	1,932	3,644	4,674
Effective tax rate (%)	18.7	23.0	23.0	23.0
<b>Profit after tax</b>	<b>3,468</b>	<b>6,467</b>	<b>12,199</b>	<b>15,646</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>3,468</b>	<b>6,282</b>	<b>12,199</b>	<b>15,646</b>
YoY gr. (%)	97.0	81.2	94.2	28.3
Margin (%)	1.7	2.8	4.7	5.3
Extra Ord. Income / (Exp)	-	185	-	-
<b>Reported PAT</b>	<b>3,468</b>	<b>6,467</b>	<b>12,199</b>	<b>15,646</b>
YoY gr. (%)	97.0	86.5	88.6	28.3
Margin (%)	1.7	2.9	4.7	5.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,468	6,467	12,199	15,646
<b>Equity Shares O/s (m)</b>	<b>266</b>	<b>266</b>	<b>266</b>	<b>266</b>
<b>EPS (Rs)</b>	<b>13.0</b>	<b>23.6</b>	<b>45.8</b>	<b>58.8</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>25,120</b>	<b>28,104</b>	<b>31,472</b>	<b>34,641</b>
Tangibles	25,120	28,104	31,472	34,641
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>11,756</b>	<b>13,658</b>	<b>15,823</b>	<b>18,157</b>
Tangibles	11,756	13,658	15,823	18,157
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>13,365</b>	<b>14,446</b>	<b>15,649</b>	<b>16,484</b>
Tangibles	13,365	14,446	15,649	16,484
Intangibles	-	-	-	-
Capital Work In Progress	3,057	3,073	3,205	3,037
Goodwill	-	-	-	-
Non-Current Investments	619	665	782	891
Net Deferred tax assets	3,537	3,537	3,537	3,537
Other Non-Current Assets	5,275	5,983	6,780	7,421
<b>Current Assets</b>				
Investments	-	-	-	-
Inventories	12,133	15,179	16,432	18,706
Trade receivables	44,250	51,608	60,727	69,131
Cash & Bank Balance	2,733	3,959	4,112	4,675
Other Current Assets	12,978	14,405	16,950	19,296
<b>Total Assets</b>	<b>1,86,778</b>	<b>2,07,933</b>	<b>2,36,767</b>	<b>2,65,212</b>
<b>Equity</b>				
Equity Share Capital	514	532	532	532
Other Equity	40,443	54,564	65,507	78,714
<b>Total Networkth</b>	<b>40,957</b>	<b>55,097</b>	<b>66,040</b>	<b>79,246</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	3,842	3,842	3,842	3,842
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	36,009	33,009	34,509	36,009
Trade payables	92,070	1,00,180	1,14,309	1,26,063
Other current liabilities	17,438	19,343	21,605	23,589
<b>Total Equity &amp; Liabilities</b>	<b>1,86,778</b>	<b>2,07,933</b>	<b>2,36,767</b>	<b>2,65,212</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY24	FY25E	FY26E	FY27E
PBT	4,265	8,399	15,843	20,320
Add. Depreciation	1,854	1,903	2,165	2,334
Add. Interest	6,551	6,559	6,635	6,854
Less Financial Other Income	524	443	522	564
Add. Other	865	-	-	-
Op. profit before WC changes	13,535	16,861	24,643	29,508
Net Changes-WC	(7,903)	(8,817)	(10,954)	(13,477)
Direct tax	(2,521)	(1,932)	(3,644)	(4,674)
<b>Net cash from Op. activities</b>	<b>3,111</b>	<b>6,112</b>	<b>10,045</b>	<b>11,357</b>
Capital expenditures	(2,335)	(3,000)	(3,500)	(3,000)
Interest / Dividend Income	157	-	-	-
Others	(52)	-	-	-
<b>Net Cash from Inv. activities</b>	<b>(2,230)</b>	<b>(3,000)</b>	<b>(3,500)</b>	<b>(3,000)</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	(2,442)	(3,000)	1,500	1,500
Dividend paid	(772)	(1,028)	(1,256)	(2,440)
Interest paid	(6,489)	(6,559)	(6,635)	(6,854)
Others	8,256	-	-	-
<b>Net cash from Fin. activities</b>	<b>(1,447)</b>	<b>(10,588)</b>	<b>(6,391)</b>	<b>(7,794)</b>
<b>Net change in cash</b>	<b>(566)</b>	<b>(7,475)</b>	<b>153</b>	<b>563</b>
Free Cash Flow	738	3,112	6,545	8,357

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Per Share(Rs)</b>				
EPS	13.0	23.6	45.8	58.8
CEPS	20.0	30.7	54.0	67.5
BVPS	153.9	207.0	248.1	297.7
FCF	2.8	11.7	24.6	31.4
DPS	3.9	4.7	9.2	11.8
<b>Return Ratio(%)</b>				
RoCE	11.0	12.7	17.2	18.3
ROIC	11.4	13.3	18.0	19.1
RoE	8.8	13.1	20.1	21.5
<b>Balance Sheet</b>				
Net Debt : Equity (x)	0.9	0.6	0.5	0.4
Net Working Capital (Days)	107	110	109	112
<b>Valuation(x)</b>				
PER	62.4	34.5	17.7	13.8
P/B	5.3	3.9	3.3	2.7
P/CEPS	40.7	26.4	15.1	12.0
EV/EBITDA	20.9	15.4	10.4	8.7
EV/Sales	1.3	1.1	1.0	0.8
Dividend Yield (%)	0.5	0.6	1.1	1.4

Source: Company Data, PL Research

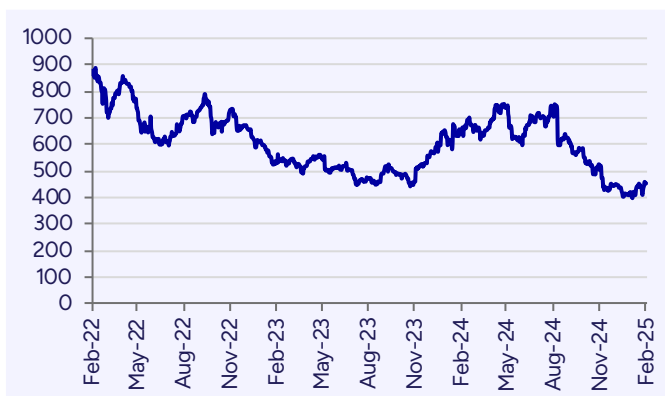
**Quarterly Financials (Rs m)**

Y/e Mar	Q4FY24	Q1FY25	Q2FY25	Q3FY25
<b>Net Revenue</b>	<b>61,648</b>	<b>45,119</b>	<b>51,133</b>	<b>53,494</b>
YoY gr. (%)	11.6	6.3	13.7	6.8
Raw Material Expenses	29,184	17,933	23,728	23,998
Gross Profit	32,464	27,186	27,406	29,496
Margin (%)	52.7	60.3	53.6	55.1
<b>EBITDA</b>	<b>3,880</b>	<b>2,704</b>	<b>3,202</b>	<b>3,745</b>
YoY gr. (%)	36.9	10.7	16.7	21.6
Margin (%)	6.3	6.0	6.3	7.0
Depreciation / Depletion	483	465	453	453
<b>EBIT</b>	<b>3,398</b>	<b>2,239</b>	<b>2,749</b>	<b>3,291</b>
Margin (%)	5.5	5.0	5.4	6.2
Net Interest	1,543	1,550	1,681	1,702
Other Income	78	191	66	9
<b>Profit before Tax</b>	<b>1,933</b>	<b>880</b>	<b>1,135</b>	<b>1,598</b>
Margin (%)	3.1	2.0	2.2	3.0
Total Tax	415	245	281	303
Effective tax rate (%)	21.5	27.8	24.7	18.9
<b>Profit after Tax</b>	<b>1,518</b>	<b>636</b>	<b>854</b>	<b>1,296</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>1,518</b>	<b>636</b>	<b>854</b>	<b>1,296</b>
YoY gr. (%)	110.2	50.3	53.0	33.7
Margin (%)	2.5	1.4	1.7	2.4
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>1,518</b>	<b>636</b>	<b>854</b>	<b>1,296</b>
YoY gr. (%)	110.2	50.3	53.0	33.7
Margin (%)	2.5	1.4	1.7	2.4
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>1,518</b>	<b>636</b>	<b>854</b>	<b>1,296</b>
Avg. Shares O/s (m)	257	257	257	257
<b>EPS (Rs)</b>	<b>5.9</b>	<b>2.5</b>	<b>3.3</b>	<b>5.0</b>

Source: Company Data, PL Research

**Price Chart**

**Recommendation History**



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Jan-25	Hold	997	1,049
2	06-Nov-24	Hold	997	949
3	07-Oct-24	Hold	880	1,032
4	30-Jul-24	Hold	880	874
5	08-Jul-24	Hold	754	903
6	10-Jun-24	Hold	754	770
7	08-May-24	Hold	750	737
8	12-Apr-24	Hold	686	765

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	Accumulate	8,133	6,657
2	Apar Industries	Accumulate	8,219	7,179
3	BEML	Accumulate	4,332	3,733
4	Bharat Electronics	BUY	340	279
5	BHEL	Accumulate	226	200
6	Carborundum Universal	Accumulate	1,583	1,245
7	Cummins India	Accumulate	4,139	3,164
8	Elgi Equipments	Accumulate	607	548
9	Engineers India	BUY	247	182
10	GE Vernova T&D India	Accumulate	1,962	1,991
11	Grindwell Norton	BUY	2,511	1,850
12	Harsha Engineers International	Accumulate	561	493
13	Hindustan Aeronautics	Accumulate	4,692	4,110
14	Ingersoll-Rand (India)	BUY	4,467	3,800
15	Kalpataru Projects International	Accumulate	1,306	1,245
16	KEC International	Hold	997	1,049
17	Kirloskar Pneumatic Company	BUY	1,564	1,013
18	Larsen & Toubro	BUY	4,025	3,421
19	Praj Industries	BUY	751	632
20	Siemens	Accumulate	7,716	6,297
21	Thermax	Reduce	4,275	3,982
22	Triveni Turbine	BUY	800	634
23	Voltamp Transformers	BUY	11,437	8,358

**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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