

February 14, 2024

## Q3FY24 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current		Previous	
	FY25E	FY26E	FY25E	FY26E
<b>Rating</b>	REDUCE		UNDER REVIEW	
<b>Target Price</b>	200		-	
Sales (Rs. m)	3,27,665	4,22,958	3,24,857	3,67,320
% Chng.	0.9	15.1		
EBITDA (Rs. m)	21,753	52,355	23,178	37,309
% Chng.	(6.1)	40.3		
EPS (Rs.)	3.7	10.0	4.5	7.3
% Chng.	(16.3)	36.2		

### Key Financials - Standalone

Y/e Mar	FY23	FY24E	FY25E	FY26E
Sales (Rs. bn)	234	260	328	423
EBITDA (Rs. bn)	7	5	22	52
Margin (%)	3.1	2.0	6.6	12.4
PAT (Rs. bn)	4	1	13	35
EPS (Rs.)	1.3	0.3	3.7	10.0
Gr. (%)	9.1	(76.9)	1,156.0	167.4
DPS (Rs.)	0.4	0.0	0.4	-
Yield (%)	0.2	0.0	0.2	-
RoE (%)	1.7	0.4	4.7	11.5
RoCE (%)	1.4	0.8	5.1	13.2
EV/Sales (x)	3.3	3.0	2.4	1.8
EV/EBITDA (x)	107.4	147.8	35.4	14.7
PE (x)	174.6	754.9	60.1	22.5
P/BV (x)	2.9	2.9	2.7	2.4

### Key Data

**BHEL.BO | BHEL IN**

52-W High / Low	Rs.243 / Rs.66
Sensex / Nifty	71,833 / 21,840
Market Cap	Rs.782bn/ \$ 9,413m
Shares Outstanding	3,482m
3M Avg. Daily Value	Rs.7930.63m

### Shareholding Pattern (%)

Promoter's	63.17
Foreign	7.04
Domestic Institution	17.58
Public & Others	12.21
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	14.3	120.5	216.1
Relative	15.4	100.7	168.6

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## Weak quarter; strong inflows provide visibility

### Quick Pointers:

- Poor sales growth (+1.7% YoY) and margin decline (-760bps YoY) in Power segment drives weak quarterly performance.
- 9MFY24 order inflows came in at Rs360.5bn (vs Rs152.3bn in 9MFY23) with additional orders worth ~Rs205bn booked till date in Q4.

**BHEL reported 4.6% YoY revenue growth to Rs55.0bn with EBITDA margin coming in at -1.1% in Q3FY24 vs +2.7% in Q3FY23. Rapidly growing demand for electricity has led to revival in thermal power ordering, with the government planning to add 55-60GW coal-based power capacity by 2032, thereby creating a healthy pipeline for BHEL who is the dominant leader in the space. Opportunities are also developing in areas such as defence, railways, coal gasification, green hydrogen, nuclear & hydro energy on account of favorable government policies promoting infrastructure development and energy transition, which can boost the company's non-coal business prospects.**

**We believe 1) pickup in thermal power orders, 2) diversification into segments such as railways, defence, nuclear, green hydrogen, coal gasification, etc., and 3) growing spares & services business augurs well for company in the long-term. However, execution pace, material costs, operational efficiency and working capital management will be key monitorables. The stock is trading at a P/E of 60.1x/22.5x FY25/26E. We roll forward to FY26E and re-assign 'Reduce' rating with a TP of Rs200 valuing it at a P/E of 20x FY26E, factoring in robust order intake this year and healthy pipeline going forward, which improves long-term visibility.**

**Subdued result led by weak performance in Power segment:** Standalone revenue rose 4.6% YoY to Rs55.0bn (PLe: Rs59.5bn) driven by strong growth in Industry segment (up 28.0% YoY to Rs12.1bn). Power segment sales were up 1.7% YoY to Rs40.6bn. Gross margin declined by 388bps YoY to 28.4% (PLe: 30.5%) due to weaker mix. EBITDA loss came in at Rs629mn vs +Rs1.4bn in Q3FY23 (PLe: +Rs291mn). EBITDA margin fell by 388bps YoY to -1.1% (PLe: +0.5%) led by the gross margin contraction. Power margin fell sharply to 3.5% (vs 11.1% in Q3FY23), while Industry margin improved to -0.3% (vs -7.7% in Q3FY23). Net loss stood at Rs1.6bn vs PAT of Rs310mn in Q3FY23 (PLe: Rs644mn loss), driven by weak operating performance and higher interest costs (up 36.2% YoY to Rs1.9bn).

**Order book stands at ~Rs1.1trn:** Order inflows in 9MFY24 came in at Rs360.5bn (vs Rs152.3bn in 9MFY23), driven by expansion in core sectors of the economy along with demand for defence products. Order book stands at ~Rs1.1trn (4.8x TTM revenue) comprising of Power (70%), Industry (26%) and Exports (4%). Key orders bagged in 9MFY24 include 1) Supply of propulsion systems for 80 Vande Bharat trains in consortium with Titagarh, 2) Package for 12x240MW Electro-Mechanical Works of Dibang 2,880MW hydropower project from NHPC, and 3) Setting up 2x800MW Supercritical Thermal Power Project Stage-II at Lara from NTPC.

**Exhibit 1: Lower gross margin and higher interest costs lead to net loss of Rs1.6bn**

Y/e March	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	YoY gr. (%)	QoQ gr. (%)	9MFY24	9MFY23	YoY gr. (%)
<b>Revenue</b>	<b>52,634</b>	<b>82,270</b>	<b>50,034</b>	<b>51,253</b>	<b>55,038</b>	<b>4.6</b>	<b>7.4</b>	<b>1,56,325</b>	<b>1,51,380</b>	<b>3.3</b>
<b>Total Revenues</b>	<b>52,634</b>	<b>82,270</b>	<b>50,034</b>	<b>51,253</b>	<b>55,038</b>	<b>4.6</b>	<b>7.4</b>	<b>1,56,325</b>	<b>1,51,380</b>	<b>3.3</b>
<b>Expenditure</b>	<b>51,191</b>	<b>72,408</b>	<b>53,675</b>	<b>55,130</b>	<b>55,667</b>	<b>8.7</b>	<b>1.0</b>	<b>1,64,472</b>	<b>1,54,075</b>	<b>6.7</b>
<i>as % of sales</i>	<i>97.3</i>	<i>88.0</i>	<i>107.3</i>	<i>107.6</i>	<i>101.1</i>			<i>105.2</i>	<i>101.8</i>	
Consumption of RM	35,649	55,684	34,607	36,266	39,414	10.6	8.7	1,10,286	1,03,282	6.8
<i>as % of sales</i>	<i>67.7</i>	<i>67.7</i>	<i>69.2</i>	<i>70.8</i>	<i>71.6</i>	<i>388</i>		<i>70.5</i>	<i>68.2</i>	
Employee Cost	14,294	14,518	14,200	12,821	14,420	0.9	12.5	41,442	42,489	(2.5)
<i>as % of sales</i>	<i>27.2</i>	<i>17.6</i>	<i>28.4</i>	<i>25.0</i>	<i>26.2</i>			<i>26.5</i>	<i>28.1</i>	
Other expenditure	1,248	2,207	4,868	6,043	1,833	46.9	(69.7)	12,744	8,305	53.4
<i>as % of sales</i>	<i>2.4</i>	<i>2.7</i>	<i>9.7</i>	<i>11.8</i>	<i>3.3</i>			<i>8.2</i>	<i>5.5</i>	
<b>EBITDA</b>	<b>1,443</b>	<b>9,861</b>	<b>(3,641)</b>	<b>(3,877)</b>	<b>(629)</b>	<b>(143.6)</b>	-	<b>(8,147)</b>	<b>(2,696)</b>	-
Depreciation	625	726	600	599	606	(3.0)	1.2	1,805	1,878	(3.9)
<b>EBIT</b>	<b>818</b>	<b>9,136</b>	<b>(4,241)</b>	<b>(4,476)</b>	<b>(1,235)</b>	<b>(250.9)</b>	-	<b>(9,952)</b>	<b>(4,574)</b>	-
Other Income	989	1,116	1,221	1,968	1,042	5.3	(47.1)	4,230	4,032	4.9
Interest	1,393	1,611	1,680	1,804	1,896	36.2	5.1	5,380	3,604	49.3
Extra ordinary items	-	-	-	-	-	-	-	-	-	-
<b>PBT</b>	<b>414</b>	<b>8,641</b>	<b>(4,699)</b>	<b>(4,313)</b>	<b>(2,089)</b>	<b>(604.2)</b>	-	<b>(11,101)</b>	<b>(4,145)</b>	-
Total Tax	104	2,660	(1,183)	(1,979)	(461)	(542.4)	-	(3,623)	(2,640)	-
<b>Reported PAT</b>	<b>310</b>	<b>5,981</b>	<b>(3,517)</b>	<b>(2,334)</b>	<b>(1,628)</b>	<b>(625.1)</b>	-	<b>(7,479)</b>	<b>(1,506)</b>	-
<b>Adjusted PAT</b>	<b>310</b>	<b>5,981</b>	<b>(3,517)</b>	<b>(2,334)</b>	<b>(1,628)</b>	<b>(625.1)</b>	-	<b>(7,479)</b>	<b>(1,506)</b>	-
<b>Adjusted EPS</b>	<b>0.1</b>	<b>1.7</b>	<b>(1.0)</b>	<b>(0.7)</b>	<b>(0.5)</b>	<b>(625.1)</b>	-	<b>(2.1)</b>	<b>(0.4)</b>	-
<b>Margins (%)</b>	<b>Q3FY23</b>	<b>Q4FY23</b>	<b>Q1FY24</b>	<b>Q2FY24</b>	<b>Q3FY24</b>	<b>bps</b>	<b>bps</b>	<b>9MFY24</b>	<b>9MFY23</b>	<b>bps</b>
Gross	32.3	32.3	30.8	29.2	28.4	(388)	(85)	29.5	31.8	(232)
EBITDA	2.7	12.0	(7.3)	(7.6)	(1.1)	(388)	642	(5.2)	(1.8)	(343)
EBIT	1.6	11.1	(8.5)	(8.7)	(2.2)	(380)	649	(6.4)	(3.0)	(334)
EBT	0.8	10.5	(9.4)	(8.4)	(3.8)	(458)	462	(7.1)	(2.7)	(436)
PAT	0.6	7.3	(7.0)	(4.6)	(3.0)	(355)	160	(4.8)	(1.0)	(379)

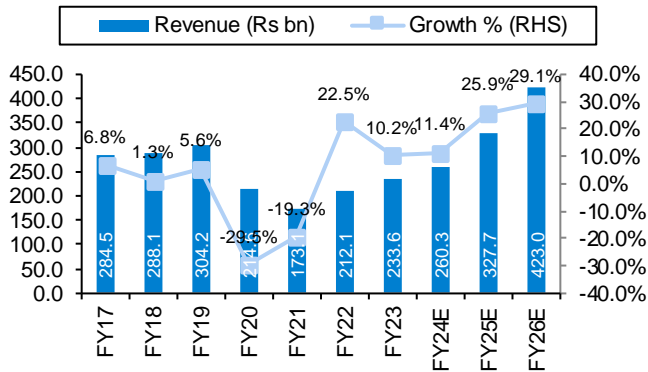
Source: Company, PL

**Exhibit 2: Sequential margin improvement for both segments, but Power segment disappoints on topline**

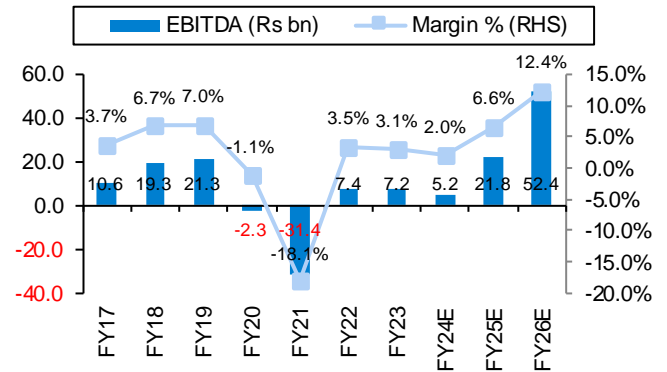
Segment Performance	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	YoY gr. (%)	QoQ gr. (%)	9MFY24	9MFY23	YoY gr. (%)
<b>Sales (Rs mn)</b>										
Power	39,921	61,663	38,192	39,272	40,605	1.7	3.4	1,18,069	1,13,327	4.2
Industry	9,474	16,531	9,992	10,176	12,130	28.0	19.2	32,298	29,843	8.2
<b>Total</b>	<b>49,395</b>	<b>78,194</b>	<b>48,184</b>	<b>49,448</b>	<b>52,735</b>	<b>6.8</b>	<b>6.6</b>	<b>1,50,366</b>	<b>1,43,169</b>	<b>5.0</b>
<b>EBIT (Rs mn)</b>										
Power	4,438	10,892	(1,199)	(1,582)	1,428	(67.8)	(190.3)	(1,353)	3,112	(143.5)
Industry	(728)	3,427	(432)	(376)	(42)	(94.2)	(88.8)	(850)	898	(194.6)
<b>EBIT margin (%)</b>						<b>bps</b>	<b>bps</b>			<b>bps</b>
Power	11.1	17.7	(3.1)	(4.0)	3.5	(760)	754	(1.1)	2.7	(389)
Industry	(7.7)	20.7	(4.3)	(3.7)	(0.3)	734	335	(2.6)	3.0	(564)

Source: Company, PL

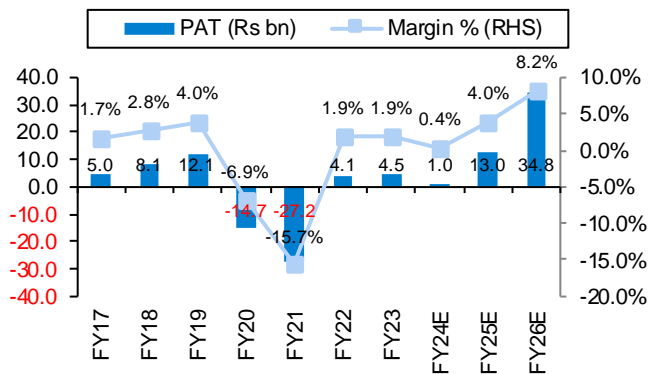
## Story in Charts

**Exhibit 3: 21.9% revenue CAGR expected over FY23-26E**


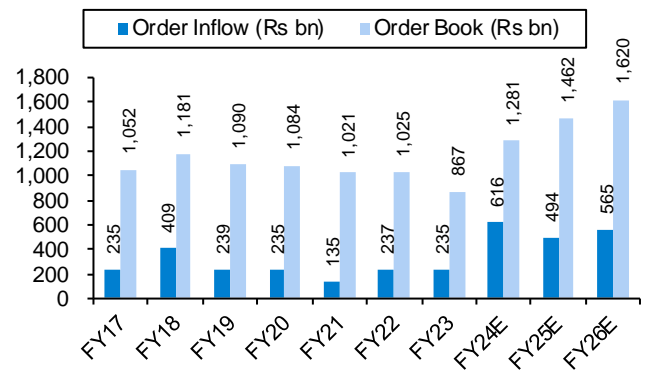
Source: Company, PL

**Exhibit 4: EBITDA margin to improve to 12%+ by FY26E**


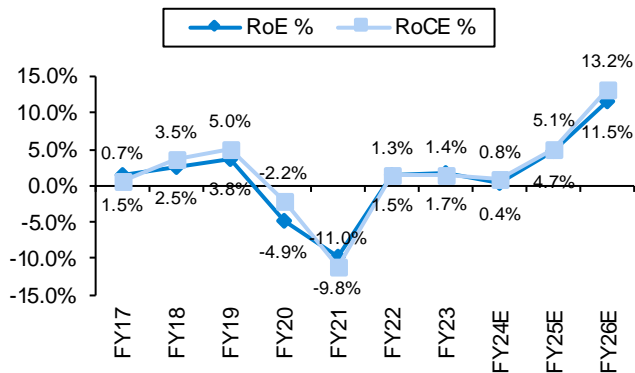
Source: Company, PL

**Exhibit 5: Execution & leverage to drive PAT improvement**


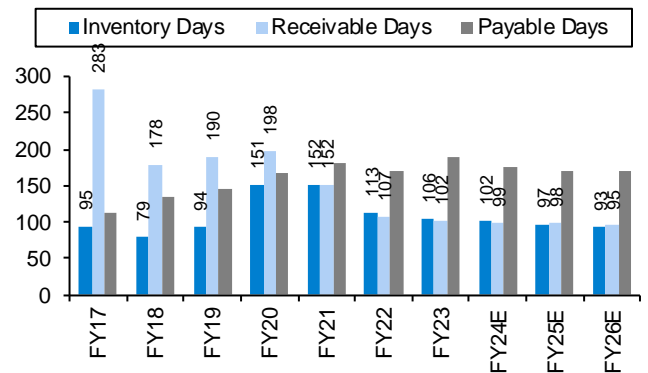
Source: Company, PL

**Exhibit 6: Strong inflows expected driven by thermal power**


Source: Company, PL

**Exhibit 7: Uptick in return ratios as execution & margins rise**


Source: Company, PL

**Exhibit 8: Working capital cycle to stabilize going forward**


Source: Company, PL; \*NOTE: excluding contract assets

## Financials

### Income Statement (Rs m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
<b>Net Revenues</b>	<b>2,33,649</b>	<b>2,60,290</b>	<b>3,27,665</b>	<b>4,22,958</b>
YoY gr. (%)	10.2	11.4	25.9	29.1
Cost of Goods Sold	1,58,965	1,73,093	1,99,875	2,51,660
Gross Profit	74,684	87,197	1,27,789	1,71,298
Margin (%)	32.0	33.5	39.0	40.5
Employee Cost	57,006	57,234	59,180	61,843
Other Expenses	18,984	21,083	29,817	33,837
<b>EBITDA</b>	<b>7,166</b>	<b>5,235</b>	<b>21,753</b>	<b>52,355</b>
YoY gr. (%)	(2.9)	(26.9)	315.5	140.7
Margin (%)	3.1	2.0	6.6	12.4
Depreciation and Amortization	2,603	2,561	4,681	5,189
<b>EBIT</b>	<b>4,562</b>	<b>2,674</b>	<b>17,072</b>	<b>47,166</b>
Margin (%)	2.0	1.0	5.2	11.2
Net Interest	5,214	7,155	5,442	5,323
Other Income	5,148	5,466	6,946	7,825
<b>Profit Before Tax</b>	<b>4,496</b>	<b>986</b>	<b>18,576</b>	<b>49,667</b>
Margin (%)	1.9	0.4	5.7	11.7
Total Tax	21	(49)	5,573	14,900
Effective tax rate (%)	0.5	(5.0)	30.0	30.0
<b>Profit after tax</b>	<b>4,476</b>	<b>1,035</b>	<b>13,003</b>	<b>34,767</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>4,476</b>	<b>1,035</b>	<b>13,003</b>	<b>34,767</b>
YoY gr. (%)	9.1	(76.9)	1,156.0	167.4
Margin (%)	1.9	0.4	4.0	8.2
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>4,476</b>	<b>1,035</b>	<b>13,003</b>	<b>34,767</b>
YoY gr. (%)	9.1	(76.9)	1,156.0	167.4
Margin (%)	1.9	0.4	4.0	8.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,476	1,035	13,003	34,767
<b>Equity Shares O/s (m)</b>	<b>3,482</b>	<b>3,482</b>	<b>3,482</b>	<b>3,482</b>
<b>EPS (Rs)</b>	<b>1.3</b>	<b>0.3</b>	<b>3.7</b>	<b>10.0</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>66,210</b>	<b>69,210</b>	<b>72,710</b>	<b>75,210</b>
Tangibles	66,210	69,210	72,710	75,210
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>42,122</b>	<b>44,683</b>	<b>49,364</b>	<b>54,553</b>
Tangibles	42,122	44,683	49,364	54,553
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>24,087</b>	<b>24,527</b>	<b>23,346</b>	<b>20,656</b>
Tangibles	24,087	24,527	23,346	20,656
Intangibles	-	-	-	-
Capital Work In Progress	4,211	4,555	4,935	4,935
Goodwill	-	-	-	-
Non-Current Investments	7,535	7,288	7,864	9,305
Net Deferred tax assets	34,226	34,226	34,226	34,226
Other Non-Current Assets	1,93,001	1,95,217	2,06,429	2,36,856
<b>Current Assets</b>				
Investments	-	-	-	-
Inventories	67,559	72,739	87,078	1,07,767
Trade receivables	65,439	70,599	87,976	1,10,085
Cash & Bank Balance	66,426	62,898	66,000	68,381
Other Current Assets	1,32,772	1,35,351	1,47,449	1,81,872
<b>Total Assets</b>	<b>5,63,813</b>	<b>5,76,037</b>	<b>6,34,845</b>	<b>7,44,934</b>
<b>Equity</b>				
Equity Share Capital	6,964	6,964	6,964	6,964
Other Equity	2,65,658	2,66,537	2,78,241	3,13,008
<b>Total Networkth</b>	<b>2,72,622</b>	<b>2,73,502</b>	<b>2,85,205</b>	<b>3,19,972</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	54,198	54,698	55,198	55,698
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	338	338	338	338
Trade payables	1,20,899	1,24,796	1,52,611	1,96,994
Other current liabilities	1,49,984	1,56,930	1,75,720	2,06,159
<b>Total Equity &amp; Liabilities</b>	<b>5,63,813</b>	<b>5,76,037</b>	<b>6,34,845</b>	<b>7,44,934</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY23	FY24E	FY25E	FY26E
PBT	4,496	986	18,576	49,667
Add. Depreciation	2,603	2,561	4,681	5,189
Add. Interest	5,214	7,155	5,442	5,323
Less Financial Other Income	5,148	5,466	6,946	7,825
Add. Other	(9,774)	-	-	-
Op. profit before WC changes	2,540	10,701	28,699	60,180
Net Changes-WC	(11,059)	(4,312)	(9,528)	(35,266)
Direct tax	1,104	49	(5,573)	(14,900)
<b>Net cash from Op. activities</b>	<b>(7,415)</b>	<b>6,438</b>	<b>13,598</b>	<b>10,014</b>
Capital expenditures	(1,806)	(3,345)	(3,879)	(2,500)
Interest / Dividend Income	2,507	-	-	-
Others	14,104	188	(374)	(309)
<b>Net Cash from Inv. activities</b>	<b>14,805</b>	<b>(3,156)</b>	<b>(4,253)</b>	<b>(2,809)</b>
Issue of share cap. / premium	(570)	500	500	500
Debt changes	6,400	-	-	-
Dividend paid	(4,940)	(155)	(1,300)	-
Interest paid	-	(7,155)	(5,442)	(5,323)
Others	-	-	-	-
<b>Net cash from Fin. activities</b>	<b>890</b>	<b>(6,810)</b>	<b>(6,243)</b>	<b>(4,823)</b>
<b>Net change in cash</b>	<b>8,279</b>	<b>(3,528)</b>	<b>3,103</b>	<b>2,381</b>
Free Cash Flow	(9,299)	3,094	9,719	7,514

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY23	FY24E	FY25E	FY26E
<b>Per Share(Rs)</b>				
EPS	1.3	0.3	3.7	10.0
CEPS	2.0	1.0	5.1	11.5
BVPS	78.3	78.5	81.9	91.9
FCF	(2.7)	0.9	2.8	2.2
DPS	0.4	0.0	0.4	-
<b>Return Ratio(%)</b>				
RoCE	1.4	0.8	5.1	13.2
ROIC	1.8	1.1	4.4	11.4
RoE	1.7	0.4	4.7	11.5
<b>Balance Sheet</b>				
Net Debt : Equity (x)	0.0	0.0	0.0	0.0
Net Working Capital (Days)	19	26	25	18
<b>Valuation(x)</b>				
PER	174.6	754.9	60.1	22.5
P/B	2.9	2.9	2.7	2.4
P/CEPS	110.4	217.3	44.2	19.6
EV/EBITDA	107.4	147.8	35.4	14.7
EV/Sales	3.3	3.0	2.4	1.8
Dividend Yield (%)	0.2	0.0	0.2	-

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q4FY23	Q1FY24	Q2FY24	Q3FY24
<b>Net Revenue</b>	<b>82,270</b>	<b>50,034</b>	<b>51,253</b>	<b>55,038</b>
YoY gr. (%)	2.1	7.1	(1.5)	4.6
Raw Material Expenses	55,684	34,607	36,266	39,414
Gross Profit	26,586	15,428	14,987	15,624
Margin (%)	32.3	30.8	29.2	28.4
<b>EBITDA</b>	<b>9,861</b>	<b>(3,641)</b>	<b>(3,877)</b>	<b>(629)</b>
YoY gr. (%)	(14.4)	114.3	58.9	(143.6)
Margin (%)	12.0	(7.3)	(7.6)	(1.1)
Depreciation / Depletion	726	600	599	606
<b>EBIT</b>	<b>9,136</b>	<b>(4,241)</b>	<b>(4,476)</b>	<b>(1,235)</b>
Margin (%)	11.1	(8.5)	(8.7)	(2.2)
Net Interest	1,611	1,680	1,804	1,896
Other Income	1,116	1,221	1,968	1,042
<b>Profit before Tax</b>	<b>8,641</b>	<b>(4,699)</b>	<b>(4,313)</b>	<b>(2,089)</b>
Margin (%)	10.5	(9.4)	(8.4)	(3.8)
Total Tax	2,660	(1,183)	(1,979)	(461)
Effective tax rate (%)	30.8	25.2	45.9	22.1
<b>Profit after Tax</b>	<b>5,981</b>	<b>(3,517)</b>	<b>(2,334)</b>	<b>(1,628)</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>5,981</b>	<b>(3,517)</b>	<b>(2,334)</b>	<b>(1,628)</b>
YoY gr. (%)	(34.2)	83.3	(2,368.3)	(625.1)
Margin (%)	7.3	(7.0)	(4.6)	(3.0)
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>5,981</b>	<b>(3,517)</b>	<b>(2,334)</b>	<b>(1,628)</b>
YoY gr. (%)	(34.2)	83.3	(2,368.3)	(625.1)
Margin (%)	7.3	(7.0)	(4.6)	(3.0)
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>5,981</b>	<b>(3,517)</b>	<b>(2,334)</b>	<b>(1,628)</b>
Avg. Shares O/s (m)	3,482	3,482	3,482	3,482
<b>EPS (Rs)</b>	<b>1.7</b>	<b>(1.0)</b>	<b>(0.7)</b>	<b>(0.5)</b>

Source: Company Data, PL Research

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


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Jan-24	UR	-	195
2	05-Oct-23	Reduce	67	127
3	06-Jul-23	Reduce	67	93
4	28-May-23	Reduce	67	79
5	11-Apr-23	Sell	36	71

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	Accumulate	4,984	4,753
2	Apar Industries	Accumulate	6,890	6,069
3	Bharat Electronics	Hold	182	186
4	BHEL	UR	-	195
5	Carborundum Universal	BUY	1,347	1,116
6	Cummins India	Hold	2,480	2,585
7	Engineers India	Hold	257	244
8	GE T&D India	Reduce	631	736
9	Grindwell Norton	Accumulate	2,512	2,243
10	Harsha Engineers International	Accumulate	441	396
11	Hindustan Aeronautics	Hold	2,787	2,923
12	Kalpataru Projects International	BUY	1,025	873
13	KEC International	Hold	686	657
14	Larsen & Toubro	BUY	4,071	3,480
15	Praj Industries	BUY	636	474
16	Siemens	Accumulate	4,572	4,313
17	Thermax	Reduce	3,017	3,319
18	Triveni Turbine	BUY	532	425
19	Voltamp Transformers	Hold	7,619	7,910

**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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