

Carborundum Universal (CU IN)

Rating: HOLD | CMP: Rs985 | TP: Rs1,028

May 14, 2025

Q4FY25 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current FY26E	Previous FY27E	Current FY26E	Previous FY27E
Rating	HOLD		ACCUMULATE	
Target Price	1,028		1,052	
Sales (Rs. m)	51,801	57,331	52,296	58,406
% Chng.	(0.9)	(1.8)		
EBITDA (Rs. m)	6,682	7,854	7,897	9,520
% Chng.	(15.4)	(17.5)		
EPS (Rs.)	19.8	24.2	25.1	31.3
% Chng.	(21.0)	(22.7)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	47,022	48,942	51,801	57,331
EBITDA (Rs. m)	7,388	7,118	6,682	7,854
Margin (%)	15.7	14.5	12.9	13.7
PAT (Rs. m)	4,612	3,552	3,772	4,608
EPS (Rs.)	24.2	18.7	19.8	24.2
Gr. (%)	16.6	(23.0)	6.2	22.1
DPS (Rs.)	4.0	4.0	4.8	-
Yield (%)	0.4	0.4	0.5	-
RoE (%)	15.5	10.7	10.3	11.6
RoCE (%)	17.4	14.5	11.2	12.7
EV/Sales (x)	3.9	3.8	3.6	3.2
EV/EBITDA (x)	24.8	26.0	27.7	23.5
PE (x)	40.6	52.8	49.7	40.7
P/BV (x)	6.0	5.3	4.9	4.5

Key Data

	CRBR.BO CU IN
52-W High / Low	Rs.1,841 / Rs.809
Sensex / Nifty	81,148 / 24,578
Market Cap	Rs.187bn/ \$ 2,197m
Shares Outstanding	190m
3M Avg. Daily Value	Rs.299.66m

Shareholding Pattern (%)

Promoter's	39.82
Foreign	12.11
Domestic Institution	28.86
Public & Others	19.21
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	3.1	(30.7)	(34.7)
Relative	(4.5)	(33.7)	(41.4)

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VAW sanctions tailspins FY26 profitability

Quick Pointers:

- Management expects consolidated revenue growth of 6-7% with PBIT margins dropping by 100-150bps in FY26.
- The impact of provisioning and lower volume in VAW along with reversal of deferred tax asset in AWUKO impacted the quarterly performance.

We revise our FY26/27E EPS estimates by -21.0%/-22.7% factoring in VAW's loss of export business, Chinese dumping and expected impact of Rs1.0bn on FY26 PAT; and change our rating from 'Accumulate' to 'Hold'. Carborundum Universal (CU) reported a 1.3% YoY increase in consolidated sales, while EBITDA margin declined by 542 bps YoY to 12.0%, impacted by weaker profitability in subsidiaries and a sharp 30% volume drop in VAW under the Electrominerals segment. The Abrasives segment continued to benefit from industrial and retail demand and better contribution from subsidiaries. Standalone Ceramics benefited from steady demand for engineered ceramics however, consolidated margins were affected by lower profitability in subsidiaries. Management aims to double its revenue in the next 5-6 years with their long-term strategy focusing on scaling the core business. However, amid the short-term challenges, management has guided a modest 6-7% sales growth in FY26 with a 100-150bps margin decline.

We believe CU will perform well in the long run given 1) healthy domestic demand, 2) capacity expansion in Electrominerals and Abrasives 3) value-added product launches in Engineered ceramics, and 4) strong market reach and exports. The stock is trading at a P/E of 49.7x/40.7x on FY26/27E earnings. We roll forward to Mar'FY27E and value Abrasives/Ceramics/Electrominerals at 32x/40x/20x Mar'27E (35x/43x/20x Sep'26E earlier) with a revised TP of Rs1,028 (Rs1,052 earlier).

Margins declined amid weaker revenue growth: Consolidated revenue was up 1.3% YoY to Rs12.0bn (PLe: Rs12.2bn). Gross margin declined 173bps YoY to 62.8% (PLe: 63.9%). EBITDA declined 30.1% YoY to Rs1.5bn (Ple: Rs1.9bn). EBITDA margin contracted by 542bps YoY to 12.0% (PLe: 15.3%) primarily due to lower gross margin and increase in employee cost & other expenses. PBT declined 44.2% YoY to Rs934mn (Ple: Rs1.4bn) due to weaker operational performance and higher D&A costs (+9.9% YoY to Rs561mn) Adj. PAT declined by 78.4% YoY to Rs291mn (PLe: Rs1.2bn) on account of weaker operating performance.

Sanctions on VAW led to lower profitability in Electrominerals: Abrasives sales remained flat YoY to Rs5.4bn mainly due to modest performance in standalone, Awuko and Rhodius. Ceramics revenue grew 5.4% YoY to Rs3.0bn primarily due better performance in standalone business while Electrominerals sales declined by 1.5% YoY to Rs3.7bn driven by standalone business and FZL. Abrasives EBIT margin declined 563bps YoY to 6.2% and Ceramics EBIT margin remains flats to 24.9%. Meanwhile, Electrominerals EBIT margin sharply declined by 1,115bps YoY to 2.4% due to sanctions placed on VAW.

Exhibit 1: EBITDA margin declined by 542bps YoY to 12.0% due to lower gross margin and higher operating expenses

Y/e March (Rs mn)	Q4FY25	Q4FY24	YoY gr.	Q4FY25E	% Var.	Q3FY25	QoQ gr.	FY25	FY24	YoY gr.
Sales	11,989	11,834	1.3%	12,257	-2.2%	12,412	-3.4%	48,335	46,282	4.4%
Other Operating income	182	178	2.2%	136	33.5%	142	27.9%	607	740	-17.9%
Total Revenue	12,171	12,012	1.3%	12,393	-1.8%	12,555	-3.1%	48,942	47,022	4.1%
Gross Profit	7,639	7,748	-1.4%	7,916	-3.5%	7,770	-1.7%	30,992	30,049	3.1%
Margin (%)	62.8	64.5	(173)	63.9	(111)	61.9	88	63.3	63.9	(58)
Employee Cost	2,249	2,031	10.7%	2,070	8.7%	2,027	10.9%	8,623	7,761	11.1%
as % of sales	18.8	17.2	159	16.9	187	16.3	243	17.8	16.8	107
Power & Fuel	1,172	1,120	4.7%	1,176	-0.3%	1,157	1.3%	4,667	4,781	-2.4%
as % of sales	9.8	9.5	31	9.6	18	9.3	46	9.7	10.3	(68)
Other expenditure	2,756	2,502	10.1%	2,778	-0.8%	2,816	-2.2%	10,585	10,119	4.6%
as % of sales	23.0	21.1	184	22.7	32	22.7	29	21.9	21.9	4
EBITDA	1,463	2,094	-30.1%	1,892	-22.7%	1,770	-17.3%	7,118	7,388	-3.7%
Margin (%)	12.0	17.4	(542)	15.3	(324)	14.1	(208)	14.5	15.7	(117)
Depreciation	561	510	9.9%	619	-9.4%	526	6.6%	2,120	1,908	11.2%
EBIT	902	1,584	-43.1%	1,272	-29.1%	1,244	-27.5%	4,997	5,481	-8.8%
Margin (%)	7.4	13.2	(578)	10.3	(285)	9.9	(249)	10.2	11.7	(144)
Other Income	63	125	-50.1%	189	-66.9%	164	-61.8%	410	767	-46.5%
Interest	31	36	-12.8%	31	2.0%	39	-18.7%	140	183	-23.8%
PBT (ex. Extra-ordinaries)	934	1,674	-44.2%	1,431	-34.8%	1,369	-31.8%	5,268	6,064	-13.1%
Margin (%)	7.7	13.9	(626)	11.5	(388)	10.9	(324)	10.8	12.9	(213)
Extraordinary Items	-	-	-	-	0.0%	(1,041)	0.0%	(1,041)	-	-
PBT	934	1,674	-44.2%	1,431	-34.8%	328	184.7%	4,226	6,064	-30.3%
Total Tax	746	371	101.1%	215	246.4%	58	1184.5%	1,692	1,741	-2.8%
Effective Tax Rate (%)	79.9	22.2	5,776	15.1	6,488	17.7	6,222	40.0	28.7	1,131
PAT before JVs/MI	187	1,303	-85.6%	1,215	-84.6%	270	-30.6%	2,535	4,323	-41.4%
Share of Profit/loss from JVs/MI	104	46	127.8%	(17)	-726.5%	78	33.5%	392	289	35.6%
Reported PAT	291	1,348	-78.4%	1,199	-75.7%	348	-16.2%	2,927	4,612	-36.5%
Adj. PAT	291	1,348	-78.4%	1,199	-75.7%	1,090	-73.3%	3,552	4,612	-23.0%
Margin (%)	2.4	11.2	(883)	9.7	(728)	8.7	(629)	7.3	9.8	(255)
Adj. EPS	1.5	7.1	-78.4%	6.3	-75.8%	5.7	-73.3%	18.7	24.3	-23.0%

Source: Company, PL

Exhibit 2: Decent standalone performance was offset by weaker subsidiary performance across segments

Segment Breakup	Q4FY25	Q4FY24	YoY gr.	Q4FY25E	% Var.	Q3FY25	QoQ gr.	FY25	FY24	YoY gr.
Revenue (Rs mn)										
Abrasives	5,381	5,330	1.0%	5,632	-4.4%	5,263	2.2%	21,594	20,910	3.3%
Ceramics	2,963	2,813	5.4%	3,227	-8.2%	3,145	-5.8%	11,601	10,767	7.7%
Electrominerals	3,749	3,806	-1.5%	3,448	8.7%	4,157	-9.8%	15,736	15,447	1.9%
Others	371	394	-5.8%	566	-34.5%	497	-25.3%	1,700	1,517	12.0%
Less: Intersegmental	475	508	-6.5%	616	-22.9%	650	-26.9%	2,295	2,360	-2.8%
Total	11,989	11,834	1.3%	12,257	-2.2%	12,412	-3.4%	48,335	46,282	4.4%
EBIT (Rs mn)										
Abrasives	335	632	-47.0%	550	-39.1%	284	17.9%	1,514	1,817	-16.6%
Ceramics	738	708	4.2%	933	-21.0%	684	7.8%	2,865	2,856	0.3%
Electrominerals	90	516	-82.5%	323	-72.0%	675	-86.6%	1,774	2,374	-25.3%
Others	(42)	(72)	-40.8%	(50)	-15.8%	(15)	182.7%	(135)	(224)	-39.5%
EBIT Margin (%)										
Abrasives	6.2%	11.9%	(563)	9.8%	(354)	5.4%	83	7.0%	8.7%	(168)
Ceramics	24.9%	25.2%	(29)	28.9%	(403)	21.8%	314	24.7%	26.5%	(183)
Electrominerals	2.4%	13.6%	(1,115)	9.4%	(695)	16.2%	(1,383)	11.3%	15.4%	(409)
Others	-11.4%	-18.2%	676	-8.9%	(254)	-3.0%	(841)	-8.0%	-14.8%	678

Source: Company, PL

Exhibit 3: SoTP valuation – Ceramics segment accounts for ~57% of value

Particular	Mar'27 EPS	Multiple (x)	Net Value/share
Abrasives	9.0	32	289
Inudstrial Ceramics	14.6	40	583
Electrominerals	7.9	20	158
Others	(2.3)	1	(2)
SoTP			1,028

Source: Company, PL

Conference Call Highlights

- **Guidance:** Consolidated revenue is expected to grow at 6-7% YoY in FY26 while the consolidated PBIT margin could drop by 100-150bps YoY. The overall profitability could be lowered by ~Rs1.0bn primarily due to loss of VAW's export business. Meanwhile, the capex can be in the range of Rs3.0-3.5bn in FY26.
- **CUMI aims to double its revenue in 5-6 years** with sustained profitability, backed by strategic investments and a focus on **core business expansion while it will enter relevant adjacencies and explore step outs**. In Abrasives, it targets deeper market penetration and product innovation, leading to doubling its market share. Electrominerals will shift toward specialty materials and advanced sectors like semiconductors and clean energy while it bolsters its Alumina portfolio with capacity scale up and doubling its export mix. Industrial Ceramics will grow through high-margin segments and global expansion while it will innovate and enter sectors such as semiconductors, aerospace, defense and e-mobility. All of it will be driven by 4-5x increase in R&D over the next 5-6 years.
- **Consol. Abrasives:** Full year consol. Abrasives growth was driven by standalone performance, Rhodius and Awuko while Sterling Abrasives saw degrowth largely due to their Agro business. The PBIT was lower primarily due to one time gain recorded last year and the inventory provisioning in current year at AWUKO. Management expects consol. **Abrasives to grow by 5-6% driven by standalone performance** and further supported by Rhodius and Awuko while the **margins are expected to improve by 100-150bps in FY26**.
- **Standalone Abrasives:** Standalone growth was driven by better volume in Industrial and retail while precision was slightly weaker. The margins in the segment were lower primarily due to the unfavorable product mix. Management expects standalone abrasives to grow by 6-8% YoY in FY26.
- **RHODIUS:** FY25 revenue increased by 5.5% YoY to €67mn (vs €63mn in FY24) primarily driven by volume growth. On the full year basis, Rhodius incurred loss of €0.2mn vs loss of €1.5mn in FY24. Excluding the PPA write-off of €2.8mn, Rhodius delivered a profit after tax €1.8mn.
- **AWUKO:** Awuko reported revenue growth of 10% in FY25 to of €10.0mn. The losses before the tax for FY25 stood at €6.6mn vs the loss of €3.3mn in FY24. The higher losses in Awuko are due to inventory provisioning in FY25 and absence of a non-recurring gain which was there in FY24. After the reversal of €3.5mn deferred tax asset, the loss after tax for full year stood at €10.2mn vs €2.3mn in FY24.
- **Consol. Ceramics:** Consol. Ceramics revenue growth was largely driven by the CUMI India. The consol. ceramics margins declined YoY due to lower margins in CUMI India and lower profitability from CUMI Australia and CUMI America. Going forward, management expects consol. Ceramics to grow by 16-18% YoY driven by standalone business and supported by CUMI Australia and then CUMI America. Meanwhile consol. Ceramics margins are expected to drop by 100-120bps primarily due to lower profitability from subsidiaries.

- **Standalone Ceramics:** Standalone Ceramics business growth was primarily driven by double-digit growth in metallized engineered ceramics while ware ceramics remained flat due to absence of major orders. The fire and mono refractory business had high-teens growth while the corrosion resistant business, which is higher project dependent, had a de-growth. Standalone Ceramics PBIT was up 5.5% YoY mainly due to better volume and price.
- **Electrominerals:** Consol. Electrominerals grew by 1.9% YoY in FY25 primarily driven by standalone performance, Foskor Zirconia partially offset by lower sales in VAW. Standalone sales grew by 10.0% YoY in FY25 on account of higher volumes, growth in exports and better price realization. Meanwhile, consol. PBIT declined due to VAW and standalone PBIT declined on account of higher input costs. Management expects consol. Electrominerals to grow modestly at 1-2% YoY in FY26 with 500-600 bps drop in margins primarily due to continued challenges faced by VAW. Standalone Electrominerals are expected to grow 8-10% YoY in FY26.
- **VAW:** The sales for Q4FY25 stood at RUB1.8bn vs RUB2.31bn in Q4FY24 while the PAT was Rs110mn in Q4FY25 vs Rs350mn in Q4FY24. This degrowth was largely led by a 30% decline in the volumes of silicon carbide while abrasives and refractories remained flat. Management expect a further 30-35% decline in VAW's business in FY26 due to the sanctions however, remain hopeful as the geopolitical tensions ease between Russia and Ukraine.
- **Foskor Zirconia (FZL):** FZL posted a full year revenue growth of 9% YoY which was majorly driven by better volume. FZL incurred loss after tax of Rs120 in FY25 vs Rs70mn in FY24. Management expects FZL to grow by 6-8% YoY in FY26.

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	47,022	48,942	51,801	57,331
YoY gr. (%)	1.0	4.1	5.8	10.7
Cost of Goods Sold	16,973	17,950	19,063	21,041
Gross Profit	30,049	30,992	32,738	36,291
Margin (%)	63.9	63.3	63.2	63.3
Employee Cost	7,761	8,623	9,272	9,918
Other Expenses	14,900	15,252	16,783	18,518
EBITDA	7,388	7,118	6,682	7,854
YoY gr. (%)	13.3	(3.7)	(6.1)	17.5
Margin (%)	15.7	14.5	12.9	13.7
Depreciation and Amortization	1,908	2,120	2,463	2,678
EBIT	5,481	4,998	4,219	5,176
Margin (%)	11.7	10.2	8.1	9.0
Net Interest	183	140	115	84
Other Income	767	410	705	811
Profit Before Tax	6,064	4,227	4,809	5,903
Margin (%)	12.9	8.6	9.3	10.3
Total Tax	1,741	1,692	1,250	1,535
Effective tax rate (%)	28.7	40.0	26.0	26.0
Profit after tax	4,323	2,535	3,559	4,368
Minority interest	149	60	125	153
Share Profit from Associate	439	452	338	393
Adjusted PAT	4,612	3,552	3,772	4,608
YoY gr. (%)	16.6	(23.0)	6.2	22.2
Margin (%)	9.8	7.3	7.3	8.0
Extra Ord. Income / (Exp)	-	(624)	-	-
Reported PAT	4,612	2,928	3,772	4,608
YoY gr. (%)	11.4	(36.5)	28.8	22.2
Margin (%)	9.8	6.0	7.3	8.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,612	2,928	3,772	4,608
Equity Shares O/s (m)	190	190	190	190
EPS (Rs)	24.2	18.7	19.8	24.2

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	19,669	23,167	25,667	28,367
Tangibles	19,669	23,167	25,667	28,367
Intangibles	-	-	-	-
Acc: Dep / Amortization	8,814	10,934	13,397	16,076
Tangibles	8,814	10,934	13,397	16,076
Intangibles	-	-	-	-
Net fixed assets	10,855	12,232	12,269	12,291
Tangibles	10,855	12,232	12,269	12,291
Intangibles	-	-	-	-
Capital Work In Progress	781	1,184	924	998
Goodwill	4,755	4,928	5,026	5,139
Non-Current Investments	1,922	2,232	2,484	2,782
Net Deferred tax assets	(196)	(1)	36	108
Other Non-Current Assets	1,106	1,221	1,466	1,759
Current Assets				
Investments	-	-	-	-
Inventories	8,502	10,550	11,505	12,733
Trade receivables	6,790	7,662	8,699	9,627
Cash & Bank Balance	5,579	3,806	3,174	3,980
Other Current Assets	692	837	1,036	1,147
Total Assets	41,519	46,433	48,467	52,541
Equity				
Equity Share Capital	190	190	190	190
Other Equity	31,067	35,096	37,821	41,334
Total Networth	31,257	35,286	38,012	41,524
Non-Current Liabilities				
Long Term borrowings	275	249	249	249
Provisions	300	323	233	229
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	852	954	754	554
Trade payables	3,372	3,498	3,690	4,084
Other current liabilities	2,558	2,854	2,429	2,647
Total Equity & Liabilities	41,126	46,141	48,467	52,541

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	6,503	4,679	4,809	5,903
Add. Depreciation	1,908	2,120	2,463	2,678
Add. Interest	183	140	115	84
Less Financial Other Income	767	410	705	811
Add. Other	(276)	299	-	-
Op. profit before WC changes	8,318	7,237	7,387	8,665
Net Changes-WC	(206)	(2,217)	(2,783)	(1,785)
Direct tax	(2,097)	(1,978)	(1,250)	(1,535)
Net cash from Op. activities	6,015	3,042	3,354	5,346
Capital expenditures	(2,184)	(2,731)	(2,340)	(2,837)
Interest / Dividend Income	425	458	-	-
Others	(106)	(1,553)	99	70
Net Cash from Inv. activities	(1,865)	(3,826)	(2,241)	(2,767)
Issue of share cap. / premium	137	55	-	-
Debt changes	(1,190)	(22)	(200)	(200)
Dividend paid	(793)	(912)	(1,047)	(1,096)
Interest paid	(152)	(93)	(115)	(84)
Others	(130)	(116)	(669)	(583)
Net cash from Fin. activities	(2,129)	(1,089)	(2,031)	(1,963)
Net change in cash	2,021	(1,873)	(918)	616
Free Cash Flow	3,822	302	1,015	2,509

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	24.2	18.7	19.8	24.2
CEPS	34.3	29.8	32.8	38.3
BVPS	164.2	185.4	199.7	218.1
FCF	20.1	1.6	5.3	13.2
DPS	4.0	4.0	4.8	-
Return Ratio(%)				
RoCE	17.4	14.5	11.2	12.7
ROIC	15.1	9.8	9.0	10.4
RoE	15.5	10.7	10.3	11.6
Balance Sheet				
Net Debt : Equity (x)	(0.1)	(0.1)	(0.1)	(0.1)
Net Working Capital (Days)	93	110	116	116
Valuation(x)				
PER	40.6	52.8	49.7	40.7
P/B	6.0	5.3	4.9	4.5
P/CEPS	28.7	33.0	30.1	25.7
EV/EBITDA	24.8	26.0	27.7	23.5
EV/Sales	3.9	3.8	3.6	3.2
Dividend Yield (%)	0.4	0.4	0.5	-

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	11,975	12,241	12,555	12,171
YoY gr. (%)	(0.5)	6.8	9.0	1.3
Raw Material Expenses	4,218	4,415	4,785	4,532
Gross Profit	7,757	7,826	7,770	7,639
Margin (%)	64.8	63.9	61.9	62.8
EBITDA	1,936	1,950	1,770	1,463
YoY gr. (%)	14.3	16.4	(8.0)	(30.1)
Margin (%)	16.2	15.9	14.1	12.0
Depreciation / Depletion	514	520	526	561
EBIT	1,422	1,430	1,244	902
Margin (%)	11.9	11.7	9.9	7.4
Net Interest	33	37	39	31
Other Income	70	113	164	63
Profit before Tax	1,459	1,506	1,369	934
Margin (%)	12.2	12.3	10.9	7.7
Total Tax	429	458	58	746
Effective tax rate (%)	29.4	30.4	4.2	79.9
Profit after Tax	1,030	1,048	1,311	187
Minority interest	19	3	28	10
Share Profit from Associates	119	114	106	114
Adjusted PAT	1,130	1,159	1,389	291
YoY gr. (%)	(0.2)	13.7	24.8	(78.4)
Margin (%)	9.4	9.5	11.1	2.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,130	1,159	1,389	291
YoY gr. (%)	(0.2)	13.7	24.8	(78.4)
Margin (%)	9.4	9.5	11.1	2.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,130	1,159	1,389	291
Avg. Shares O/s (m)	190	190	190	190
EPS (Rs)	5.9	6.1	7.3	1.5

Source: Company Data, PL Research

Price Chart

Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Apr-25	Accumulate	1,052	950
2	17-Feb-25	Accumulate	1,114	1,005
3	09-Jan-25	Accumulate	1,583	1,245
4	05-Nov-24	Accumulate	1,601	1,401
5	07-Oct-24	Hold	1,650	1,469
6	01-Aug-24	Hold	1,650	1,719
7	08-Jul-24	Accumulate	1,631	1,690

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	BUY	6,955	5,064
2	Apar Industries	Accumulate	6,287	4,944
3	BEML	Accumulate	3,561	2,875
4	Bharat Electronics	BUY	340	281
5	BHEL	Accumulate	226	211
6	Carborundum Universal	Accumulate	1,052	950
7	Cummins India	BUY	3,309	2,746
8	Elgi Equipments	BUY	517	418
9	Engineers India	BUY	242	164
10	GE Vernova T&D India	Accumulate	1,950	1,304
11	Grindwell Norton	Accumulate	1,716	1,612
12	Harsha Engineers International	Accumulate	398	374
13	Hindustan Aeronautics	Accumulate	4,134	4,042
14	Ingersoll-Rand (India)	BUY	4,540	3,376
15	Kalpataru Projects International	BUY	1,105	876
16	KEC International	Accumulate	801	665
17	Kirloskar Pneumatic Company	BUY	1,636	1,230
18	Larsen & Toubro	BUY	4,004	3,324
19	Praj Industries	BUY	545	461
20	Siemens	Accumulate	3,233	2,763
21	Thermax	Accumulate	3,456	3,222
22	Triveni Turbine	BUY	744	488
23	Voltamp Transformers	BUY	10,285	8,195

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

