

May 15, 2025

## Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
<b>Rating</b>	<b>ACCUMULATE</b>		<b>ACCUMULATE</b>	
<b>Target Price</b>	<b>7,825</b>		<b>6,287</b>	
Sales (Rs. m)	2,25,874	2,64,003	2,23,167	2,60,737
% Chng.	1.2	1.3		
EBITDA (Rs. m)	18,346	21,760	18,029	21,508
% Chng.	1.8	1.2		
EPS (Rs.)	244.4	294.5	241.1	293.5
% Chng.	1.4	0.3		

### Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	1,61,530	1,85,812	2,25,874	2,64,003
EBITDA (Rs. m)	15,223	15,474	18,346	21,760
Margin (%)	9.4	8.3	8.1	8.2
PAT (Rs. m)	8,251	8,213	9,817	11,828
EPS (Rs.)	205.4	204.5	244.4	294.5
Gr. (%)	29.4	(0.5)	19.5	20.5
DPS (Rs.)	40.0	40.0	73.3	88.3
Yield (%)	0.6	0.6	1.1	1.3
RoE (%)	27.0	19.6	20.3	21.1
RoCE (%)	40.4	30.0	30.8	31.7
EV/Sales (x)	1.7	1.5	1.2	1.0
EV/EBITDA (x)	18.2	17.7	15.0	12.6
PE (x)	33.7	33.9	28.3	23.5
P/BV (x)	7.2	6.2	5.4	4.6

### Key Data

### APAR.BO | APR IN

52-W High / Low	Rs.11,797 / Rs.4,270
Sensex / Nifty	81,331 / 24,667
Market Cap	Rs.278bn / \$ 3,263m
Shares Outstanding	40m
3M Avg. Daily Value	Rs.1156.89m

### Shareholding Pattern (%)

Promoter's	57.77
Foreign	9.87
Domestic Institution	20.63
Public & Others	11.73
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	37.8	(22.7)	(16.6)
Relative	27.3	(26.2)	(25.0)

### Amit Anwani

amitanwani@plindia.com | 91-22-66322250

### Prathmesh Salunkhe

prathmeshsalunkhe@plindia.com | 91-22-66322324

## Strong Q4 driven by domestic & US recovery

### Quick Pointers:

- Revenue from the USA surged 195.6% YoY in Q4FY25, driven by a strong recovery in demand.
- Apar announced a capex of Rs13.0bn, to be invested in Conductors (Rs2.0bn), Cables (Rs8.0bn), Specialty Oils (Rs2.0bn) in the next 12-15 months.

**We revise our FY26/27E EPS estimates by +1.4%/+0.3%, factoring in further recovery in the demand from the USA. Apar Industries (APR) reported 16.9% YoY revenue growth while EBITDA margin declined 78bps YoY to 8.8%. Domestic demand continued to show strength while recovery in the USA further pushed the top line. The company announced a Rs13bn capex to enhance manufacturing capabilities across segments, supporting future expansion. Favorable macro tailwinds—such as re-conductoring opportunities, public capex in T&D, and the energy transition—will support management guidance of ~10% volume growth in the Conductors segment and ~25% sales growth in the Cables business in FY26. Specialty Oils volume is projected to grow 6–8%, supported by robust global demand for transformer and automotive oils. However, heightened Chinese competition in non-US markets such as Africa, Latin America and Europe may impact export volume.**

**Long term view:** We believe, US exports, Chinese competition in other markets and pace of re-tendering in Indian market to be key monitorable in medium term. However, we are long-term positive on the stock owing to 1) robust T&D capex driving demand across segments, 2) focus on premium conductors in the domestic market, 3) healthy traction in elastomeric cables used in renewables, defence and railways, and 4) market leadership in the growing T-oils business. The stock is trading at a P/E of 28.3x/23.5x on FY26/27E earnings. We roll forward to Mar'27E and maintain our 'Accumulate' rating with a revised TP of Rs7,825 (Rs6,287 earlier) valuing the Conductors/Cables/Specialty Oil segments at PE of 30x/30x/10x Mar'27E (27x/27x/8x Sep'26E earlier).

**Strong domestic sales drive topline growth:** Consolidated revenue rose 16.9% YoY to Rs52.1bn (PLe: Rs53.3bn). The revenue mix stood at Conductors ~55%/ Speciality Oil ~22%/ Cables ~23%. Domestic/export mix stood at 69/31% (vs 61/39% in Q4FY24). EBITDA increased by 7.4% YoY to Rs4.6bn (PLe: Rs4.0bn). EBITDA margin declined by 78bps YoY to 8.8% (PLe: 7.6%) led by gross margin contraction (down 122bps YoY to 21.6%). PAT grew by 5.8% YoY to Rs2.5bn (PLe: Rs2.0bn) aided by better operating performance.

**Lower gross margin drag profitability:** Conductors revenue grew 24.5% YoY to Rs29.0bn driven by higher volumes and higher realizations. Specialty Oils revenue increased marginally by 3.3% YoY to Rs12.5bn. Cables revenue grew 29.9% YoY to Rs14.1bn driven by strong domestic and US business performance. Conductors EBITDA/MT came in at Rs41,430, while EBITDA margin stood at 8.5% (vs11.7% in Q4FY24). Specialty Oils EBITDA/KL came in at Rs5,873 and EBITDA margin improved to 7.3% (vs low base of 4.8% in Q4FY24). Cables EBITDA margin fell to 10.6% (vs 11.3% in Q4FY24).

**Exhibit 1: Strong domestic demand pushes the topline, lower gross margin impacts profitability**

Y/e March (Rs mn)	Q4FY25	Q4FY24	YoY gr.	Q4FY25E	% Var.	Q3FY25	QoQ gr.	FY25	FY24	YoY gr.
<b>Revenue</b>	<b>52,098</b>	<b>44,551</b>	<b>16.9%</b>	<b>53,326</b>	<b>-2.3%</b>	<b>47,164</b>	<b>10.5%</b>	<b>1,85,812</b>	<b>1,61,530</b>	<b>15.0%</b>
Gross Profit	11,228	10,146	10.7%	12,088	-7.1%	9,526	17.9%	38,419	36,130	6.3%
Margin (%)	21.6	22.8	(122)	22.7	(111.6)	20.2	135	20.7	22.4	(169)
Employee Cost	784	779	0.5%	903	-13.3%	894	-12.4%	3,378	2,889	16.9%
as % of sales	1.5	1.7	(25)	1.7	(19.0)	1.9	(39)	1.8	1.8	3
Other expenditure	5,863	5,099	15.0%	7,151	-18.0%	5,072	15.6%	19,567	18,019	8.6%
as % of sales	11.3	11.4	(19)	13.4	(215.7)	10.8	50	10.5	11.2	(62)
<b>EBITDA</b>	<b>4,582</b>	<b>4,267</b>	<b>7.4%</b>	<b>4,034</b>	<b>13.6%</b>	<b>3,561</b>	<b>28.7%</b>	<b>15,474</b>	<b>15,223</b>	<b>1.6%</b>
Margin (%)	8.8	9.6	(78)	7.6	123.1	7.6	125	8.3	9.4	(110)
Depreciation	356	315	13.2%	343	3.7%	334	6.7%	1,322	1,157	14.2%
<b>EBIT</b>	<b>4,226</b>	<b>3,952</b>	<b>6.9%</b>	<b>3,691</b>	<b>14.5%</b>	<b>3,227</b>	<b>30.9%</b>	<b>14,153</b>	<b>14,066</b>	<b>0.6%</b>
Margin (%)	8.1	8.9	(76)	6.9	119.1	6.8	127	7.6	8.7	(109)
Other Income	171	275	-37.6%	206	-16.9%	342	-49.9%	994	864	15.0%
Interest	997	1,011	-1.4%	1,238	-19.5%	1,184	-15.8%	4,089	3,866	5.8%
<b>PBT (ex. Extra-ordinaries)</b>	<b>3,401</b>	<b>3,216</b>	<b>5.7%</b>	<b>2,659</b>	<b>27.9%</b>	<b>2,386</b>	<b>42.6%</b>	<b>11,058</b>	<b>11,065</b>	<b>-0.1%</b>
Margin (%)	6.5	7.2	(69)	5.0	154.1	5.1	147	6.0	6.8	(90)
Extraordinary Items	-	-	-	-	-	-	-	-	-	-
<b>PBT</b>	<b>3,401</b>	<b>3,216</b>	<b>5.7%</b>	<b>2,659</b>	<b>27.9%</b>	<b>2,386</b>	<b>42.6%</b>	<b>11,058</b>	<b>11,065</b>	<b>-0.1%</b>
Total Tax	901	854	5.5%	661	-	636	41.7%	2,843	2,807	1.3%
Effective Tax Rate (%)	26.5	26.6	(7)	24.9	-	26.6	(16)	25.7	25.4	34
<b>Reported PAT</b>	<b>2,500</b>	<b>2,362</b>	<b>5.9%</b>	<b>1,998</b>	<b>25.1%</b>	<b>1,750</b>	<b>42.9%</b>	<b>8,214</b>	<b>8,257</b>	<b>-0.5%</b>
<b>Adj. PAT</b>	<b>2,500</b>	<b>2,362</b>	<b>5.8%</b>	<b>1,997</b>	<b>25.2%</b>	<b>1,749</b>	<b>42.9%</b>	<b>8,214</b>	<b>8,257</b>	<b>-0.5%</b>
Margin (%)	4.8	5.3	(50)	3.7	105.4	3.7	109	4.4	5.1	(69)
<b>Adj. EPS</b>	<b>62.2</b>	<b>58.8</b>	<b>5.8%</b>	<b>49.7</b>	<b>25.2%</b>	<b>43.5</b>	<b>42.9%</b>	<b>204.5</b>	<b>205.6</b>	<b>-0.5%</b>

Source: Company, PL

**Exhibit 2: Strong volume growth across Conductors and Specialty Oils while Cables grew due to strong domestic demand**

Y/e March (Rs mn)	Q4FY25	Q4FY24	YoY gr.	Q4FY25E	% Var.	Q3FY25	QoQ gr.	FY25	FY24	YoY gr.
<b>Conductors</b>										
Volume (MT)	59,593	56,299	5.9%	64,205	-7.2%	60,327	-1.2%	2,22,684	2,06,633	7.8%
Revenue (Rs mn)	28,983	23,280	24.5%	26,628	8.8%	24,491	18.3%	95,820	80,310	19.3%
EBITDA Adj (Rs mn)	2,470	2,730	-9.5%	2,028	21.8%	1,790	38.0%	8,170	8,720	-6.3%
EBITDA margin (%)	8.5	11.7	(320)	7.6	91	7.3	121	8.5	10.9	(233)
EBITDA Adj. (Rs/MT)	41,430	48,453	-14.5%	31,587	31.2%	29,593	40.0%	38,095	38,885	-2.0%
<b>Transformer &amp; Specialty Oils</b>										
Volume (KL)	1,49,840	1,37,090	9.3%	1,44,145	4.0%	1,42,921	4.8%	5,79,642	5,37,862	7.8%
Revenue (Rs mn)	12,501	12,103	3.3%	12,989	-3.8%	12,318	1.5%	50,864	48,369	5.2%
EBITDA Adj (Rs mn)	880	580	51.7%	821	7.2%	910	-3.3%	3,560	3,090	15.2%
EBITDA margin (%)	7.0	4.8	225	6.3	72	7.4	(35)	7.0	6.4	61
EBITDA Adj. (Rs/KL)	5,873	4,251	38.2%	5,694	3.1%	6,364	-7.7%	6,178	5,275	17.1%
<b>Cables</b>										
Revenue (Rs mn)	14,103	10,858	29.9%	13,664	3.2%	12,661	11.4%	49,447	38,589	28.1%
EBITDA Adj (Rs mn)	1,500	1,230	22.0%	1,327	13.0%	1,215	23.4%	4,975	4,380	13.6%
EBITDA margin (%)	10.6	11.3	(69)	9.7	92	9.6	104	10.1	11.4	(129)

Source: Company, PL

**Exhibit 3: SoTP valuation- valuing Conductors/Cables/Specialty Oil segment at 30x/30x/10x Mar'27 earnings.**

	Segmental PAT (Rs mn)	Valuation basis	Target multiple (X)	Targeted Value (Rs mn)	Value/Share
Conductors Segment	4,464	P/E	30	1,33,923	3,334
Cables Segment	5,364	P/E	30	1,60,907	4,006
Specialty Oil Segment	1,950	P/E	10	19,499	485
<b>Total Target (Rs. Mn)</b>				<b>3,14,329</b>	<b>7,825</b>

Source: Company, PL

## Conference Call Highlights

- **Guidance:** Management holds a semi-bullish outlook for its business for the next 2 years and expects a conductor volume growth of ~10% with EBITDA of Rs30,000/ton. Meanwhile, the cables business is expected to grow ~25% YoY in FY26 with an EBITDA margin ranging between 10-12%. The specialty oils business is expected to garner an EBITDA of Rs5,000-6,000/KL driven by a volume growth of 6-8% YoY in FY26.
- **Conductors:** Revenue growth was driven by strong domestic demand, higher realization and surge in its USA business. Domestic sales grew 57.4% YoY to Rs21.9bn while exports declined 24.3% YoY to Rs7.1bn. Premium product mix fell to 45.9% (vs 48.9% in Q4FY24). Conductor volume grew by 5.9% YoY in Q4FY25. Apar's conductor business continues to grow on the back of positive domestic outlook supported by macro tailwinds and recovery in its USA business aiding margin expansion. Conductors' order inflow during the quarter was Rs21.1bn while its order book stands at Rs71.6bn with a 35.6% export contribution.
- **Cables:** Revenue growth was driven by strong domestic and USA business performance. Domestic demand is driven by continued traction in data centers. Meanwhile, sales from USA grew by 55.7% YoY to ~Rs10.0bn in FY25. Domestic sales grew 23.5% YoY to Rs10.1bn while exports grew 49.3% YoY to Rs4.0bn. Cables EBITDA margin fell to 10.6% (vs 11.3% in Q4FY24). Cables has a pending order book of Rs16.9bn.
- **Specialty Oils & Lubricants:** Revenue growth was driven by a 9.3% YoY growth in volumes. Growth in volumes was led by healthy growth in global transformer oils (+7% YoY) and automotive oil (+6% YoY). Domestic/export mix stood at 58/42% (vs 57/43% in Q4FY24). Export contribution stands at 41.7% in Q4FY25 and at 44.0% in FY25. Meanwhile, Lubricants' revenue increased by 11.3% YoY in Q4FY25.
- **Apar to invest Rs13bn in capacity and capability enhancements in 12-15 months:** Apar will invest Rs8.0bn in its cables business for a greenfield expansion, Rs3.0bn in its conductors segment, and Rs2.0bn in Specialty Oils segment. This capex will be equally funded by equity and debt and the capacities are expected to be commissioned in the next 18 months.
  - Rs8.0bn greenfield capacity expansion in Cables segment will cater to all varieties of cables except fiber optic. This expansion will take Cable segment's revenue capacity to Rs10,000Cr in the next 2-3 years.

- In Conductors, the capacity is expected to be expanded by ~10% or roughly 25,000 tons which will also be able to manufacture premium products.
- Rs2.0bn investment in Specialty Oils will be made towards building a new storage near to ports which will allow Apar to cut down delivery times, improve supply chain and enable direct bulk export of transformer oils, pharmaceutical oils etc.
- **Recovery in the USA business aided profitability of Apar:** Despite the current uncertainties relating to reciprocating tariffs from the USA, Apar saw a strong recovery in its USA business. This growth is expected to continue on the back of a supply and demand gap which is filled by USD20bn imports annually. Additionally, the tariffs placed on other countries, from which USA primarily import, are higher than India and hence places Indian manufacturers favorably in USA. Furthermore, the aluminium imported in the USA is separately taxed to the extent of ~25% which has led to cost headwinds for the local manufacturers in the USA. Hence, Apar's outlook for the USA market remains positive.

## Financials

### Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Net Revenues</b>	<b>1,61,530</b>	<b>1,85,812</b>	<b>2,25,874</b>	<b>2,64,003</b>
YoY gr. (%)	12.7	15.0	21.6	16.9
Cost of Goods Sold	1,25,400	1,47,393	1,75,024	2,03,514
Gross Profit	36,130	38,419	50,849	60,489
Margin (%)	22.4	20.7	22.5	22.9
Employee Cost	2,889	3,378	4,043	4,673
Other Expenses	18,019	19,567	28,460	34,056
<b>EBITDA</b>	<b>15,223</b>	<b>15,474</b>	<b>18,346</b>	<b>21,760</b>
YoY gr. (%)	24.1	1.6	18.6	18.6
Margin (%)	9.4	8.3	8.1	8.2
Depreciation and Amortization	1,157	1,322	1,491	1,767
<b>EBIT</b>	<b>14,066</b>	<b>14,153</b>	<b>16,855</b>	<b>19,993</b>
Margin (%)	8.7	7.6	7.5	7.6
Net Interest	3,866	4,089	4,852	5,436
Other Income	864	994	1,175	1,320
<b>Profit Before Tax</b>	<b>11,065</b>	<b>11,058</b>	<b>13,177</b>	<b>15,876</b>
Margin (%)	6.8	6.0	5.8	6.0
Total Tax	2,807	2,843	3,360	4,048
Effective tax rate (%)	25.4	25.7	25.5	25.5
<b>Profit after tax</b>	<b>8,257</b>	<b>8,214</b>	<b>9,817</b>	<b>11,828</b>
Minority interest	-	-	-	-
Share Profit from Associate	(6)	(1)	-	-
<b>Adjusted PAT</b>	<b>8,251</b>	<b>8,213</b>	<b>9,817</b>	<b>11,828</b>
YoY gr. (%)	29.4	(0.5)	19.5	20.5
Margin (%)	5.1	4.4	4.3	4.5
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>8,251</b>	<b>8,213</b>	<b>9,817</b>	<b>11,828</b>
YoY gr. (%)	29.4	(0.5)	19.5	20.5
Margin (%)	5.1	4.4	4.3	4.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	8,251	8,213	9,817	11,828
<b>Equity Shares O/s (m)</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>
<b>EPS (Rs)</b>	<b>205.4</b>	<b>204.5</b>	<b>244.4</b>	<b>294.5</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>18,310</b>	<b>23,116</b>	<b>31,116</b>	<b>36,116</b>
Tangibles	18,281	23,070	31,070	36,070
Intangibles	28	45	45	45
<b>Acc: Dep / Amortization</b>	<b>6,364</b>	<b>7,686</b>	<b>9,177</b>	<b>10,944</b>
Tangibles	6,364	7,686	9,177	10,944
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>11,946</b>	<b>15,430</b>	<b>21,939</b>	<b>25,171</b>
Tangibles	11,917	15,385	21,893	25,126
Intangibles	28	45	45	45
Capital Work In Progress	1,207	1,278	1,278	1,278
Goodwill	-	-	-	-
Non-Current Investments	97	126	111	111
Net Deferred tax assets	(9)	(30)	(30)	(30)
Other Non-Current Assets	1,155	1,582	1,581	1,584
<b>Current Assets</b>				
Investments	34	2,084	2,084	2,084
Inventories	28,645	33,105	36,821	43,398
Trade receivables	39,404	41,933	50,744	59,310
Cash & Bank Balance	6,460	7,610	8,518	10,025
Other Current Assets	6,441	8,526	7,680	8,976
<b>Total Assets</b>	<b>96,158</b>	<b>1,12,636</b>	<b>1,31,828</b>	<b>1,53,060</b>
<b>Equity</b>				
Equity Share Capital	402	402	402	402
Other Equity	38,363	44,634	51,505	59,785
<b>Total Networth</b>	<b>38,764</b>	<b>45,035</b>	<b>51,907</b>	<b>60,186</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	3,946	3,987	4,787	5,587
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	810	1,860	1,860	1,860
Trade payables	48,131	55,488	67,453	78,839
Other current liabilities	4,498	6,235	5,791	6,557
<b>Total Equity &amp; Liabilities</b>	<b>96,158</b>	<b>1,12,636</b>	<b>1,31,828</b>	<b>1,53,060</b>

Source: Company Data, PL Research



### Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	11,065	11,058	13,177	15,876
Add. Depreciation	1,157	1,322	1,491	1,767
Add. Interest	2,749	2,583	4,852	5,436
Less Financial Other Income	864	994	1,175	1,320
Add. Other	588	569	-	-
Op. profit before WC changes	15,558	15,531	19,520	23,080
Net Changes-WC	(15,917)	63	(255)	(4,340)
Direct tax	2,474	2,689	3,360	4,048
<b>Net cash from Op. activities</b>	<b>(2,833)</b>	<b>12,906</b>	<b>15,905</b>	<b>14,692</b>
Capital expenditures	(3,296)	(5,069)	(8,000)	(5,000)
Interest / Dividend Income	110	56	-	-
Others	505	(2,035)	-	-
<b>Net Cash from Inv. activities</b>	<b>(2,681)</b>	<b>(7,048)</b>	<b>(8,000)</b>	<b>(5,000)</b>
Issue of share cap. / premium	9,826	-	-	-
Debt changes	901	(82)	800	800
Dividend paid	(1,530)	(2,046)	(2,945)	(3,548)
Interest paid	(2,845)	(2,701)	(4,852)	(5,436)
Others	-	-	-	-
<b>Net cash from Fin. activities</b>	<b>6,352</b>	<b>(4,829)</b>	<b>(6,997)</b>	<b>(8,185)</b>
<b>Net change in cash</b>	<b>837</b>	<b>1,029</b>	<b>908</b>	<b>1,507</b>
Free Cash Flow	(6,140)	7,809	7,905	9,692

Source: Company Data, PL Research

### Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Per Share(Rs)</b>				
EPS	205.4	204.5	244.4	294.5
CEPS	234.2	237.4	281.5	338.5
BVPS	965.0	1,121.2	1,292.2	1,498.4
FCF	(152.8)	194.4	196.8	241.3
DPS	40.0	40.0	73.3	88.3
<b>Return Ratio(%)</b>				
RoCE	40.4	30.0	30.8	31.7
ROIC	37.1	28.0	28.5	29.2
RoE	27.0	19.6	20.3	21.1
<b>Balance Sheet</b>				
Net Debt : Equity (x)	0.0	(0.1)	(0.1)	(0.1)
Net Working Capital (Days)	45	38	33	33
<b>Valuation(x)</b>				
PER	33.7	33.9	28.3	23.5
P/B	7.2	6.2	5.4	4.6
P/CEPS	29.6	29.2	24.6	20.5
EV/EBITDA	18.2	17.7	15.0	12.6
EV/Sales	1.7	1.5	1.2	1.0
Dividend Yield (%)	0.6	0.6	1.1	1.3

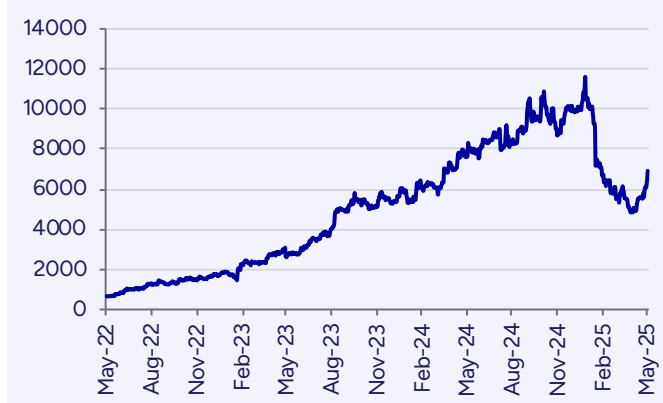
Source: Company Data, PL Research

### Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
<b>Net Revenue</b>	<b>40,105</b>	<b>46,445</b>	<b>47,164</b>	<b>52,098</b>
YoY gr. (%)	6.5	18.4	17.7	16.9
Raw Material Expenses	31,480	37,406	37,638	40,869
Gross Profit	8,625	9,039	9,526	11,228
Margin (%)	21.5	19.5	20.2	21.6
<b>EBITDA</b>	<b>3,766</b>	<b>3,565</b>	<b>3,561</b>	<b>4,582</b>
YoY gr. (%)	8.8	2.7	(12.1)	7.4
Margin (%)	9.4	7.7	7.6	8.8
Depreciation / Depletion	311	321	334	356
<b>EBIT</b>	<b>3,454</b>	<b>3,245</b>	<b>3,227</b>	<b>4,226</b>
Margin (%)	8.6	7.0	6.8	8.1
Net Interest	904	1,006	1,184	997
Other Income	153	328	342	171
<b>Profit before Tax</b>	<b>2,704</b>	<b>2,567</b>	<b>2,386</b>	<b>3,401</b>
Margin (%)	6.7	5.5	5.1	6.5
Total Tax	679	629	636	901
Effective tax rate (%)	25.1	24.5	26.6	26.5
<b>Profit after Tax</b>	<b>2,025</b>	<b>1,938</b>	<b>1,750</b>	<b>2,500</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	(1)	(1)
<b>Adjusted PAT</b>	<b>2,025</b>	<b>1,939</b>	<b>1,749</b>	<b>2,500</b>
YoY gr. (%)	2.6	11.5	(19.6)	5.8
Margin (%)	5.1	4.2	3.7	4.8
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>2,025</b>	<b>1,939</b>	<b>1,749</b>	<b>2,500</b>
YoY gr. (%)	2.6	11.5	(19.6)	5.8
Margin (%)	5.1	4.2	3.7	4.8
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>2,025</b>	<b>1,939</b>	<b>1,749</b>	<b>2,500</b>
Avg. Shares O/s (m)	40	40	40	40
<b>EPS (Rs)</b>	<b>50.4</b>	<b>48.3</b>	<b>43.5</b>	<b>62.2</b>

Source: Company Data, PL Research

**Price Chart**



**Recommendation History**

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Apr-25	Accumulate	6,287	4,944
2	29-Jan-25	Accumulate	8,219	7,179
3	09-Jan-25	Accumulate	10,160	10,785
4	31-Oct-24	Accumulate	10,353	9,430
5	07-Oct-24	BUY	10,399	9,514
6	29-Aug-24	BUY	10,399	9,010
7	31-Jul-24	Accumulate	10,399	9,110
8	08-Jul-24	Accumulate	8,872	8,862

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	BUY	6,851	5,587
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	Hold	1,028	985
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	2,917
21	Thermax	Accumulate	3,629	3,297
22	Triveni Turbine	BUY	772	560
23	Voltamp Transformers	BUY	10,285	8,195

**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



## **ANALYST CERTIFICATION**

### **(Indian Clients)**

We/I, Mr. Amit Anwani- MBA (Finance), Mr. Prathmesh Salunkhe- MBA Finance 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](http://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. Prathmesh Salunkhe- MBA Finance 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](http://www.plindia.com)**