

## Thermax (THERMA)

₹ 870

### Encouraging signs emerging...

- Thermax reported a disappointing Q1FY18 on GST implementation issues from the client side. Revenues and margins were lower than expectations, which consequently impacted PAT. The key silver lining was the order wins in the quarter coupled with YoY and QoQ increase in backlog in Q1FY18
- Revenues came in at ₹ 713.4 crore, down 12.4%, below our estimate of ₹ 872.3 crore. The execution miss may be on account of lower carry of order backlog. Revenue loss of ₹ 80 crore can be attributed to GST related issues while the malware attack at JNPT port impacted export revenues of ₹ 30 crore
- The key positive that emerged from the results was ₹ 1742 crore of order inflows (this includes a big order win of \$157 million in the export markets). Also, for the first time, order backlog has grown YoY and QoQ by 24% and 25.2%, respectively, to ₹ 4530 crore. We believe this will help Thermax come back to the growth trajectory
- EBITDA margins came in at 6.5% vs. our estimate of 8.5%. The miss was on account of a decline in gross margins from 51% in Q1FY17 to 48.2% in Q1FY18 coupled with loss of revenues
- Miss on execution, lower-than-expected EBITDA margins led PAT to fall 28.3% YoY to ₹ 32.3 crore against our estimate of ₹ 57.9 crore

#### Large export order saves the day...inflow outlook encouraging

After hitting a high of ₹ 5397 crore of inflows, the company's inflow growth has been in the negative in FY15-17 with FY17 order inflows declining 3.4% YoY despite a low base. Q1FY18 saw a good surge in inflows of ₹ 1750 crore on the back of a single order win of \$157 million in the export market. The management sounded upbeat on the outlook of ordering and expects sectors like food processing, textiles (polyester/yarn), refineries (WHR for desulphurisation wherein company is commanding 50% share), light/commodity chemicals, metals (sponge iron), fertiliser & cement. Going ahead, we build in order inflows to the tune of ₹ 5900 crore and ₹ 7100 crore in FY18E and FY19E, respectively.

#### Revenue growth to resume its trajectory in H2FY18

After five quarters of decline, the order backlog has grown 24% YoY to ₹ 4530 crore in Q1FY18. The same gives us reasonable confidence coupled with a strong outlook on the order pipeline that revenue decline has already bottomed out for the company. Hence, we expect revenues to grow 12% and 27% YoY to ₹ 4324 crore and ₹ 5509 crore by FY18E and FY19E, respectively.

#### Capex commissioning to propel growth in H2FY18

The Indonesia facility will commence operations in Q2FY18. It will address a market size of \$400 million whereas Dahej facility (water treatment chemicals) will also start production from Q2FY18. At peak capacity of 40000 tonnes, Thermax can clock revenues of ₹ 800 crore in the long run. The facility at SRI city (absorption chillers) will house 2.5x current Pune capacity. We believe this will support revenue growth in FY19E.

#### Outlook encouraging along with resumption of growth; upgrade to BUY

Growth in order backlog (24% YoY), positive outlook on the order inflow environment and commissioning of capex gives us confidence after many quarters that Thermax is likely on track to resume its growth path. Hence, the expected 17% PAT CAGR and a lean balance sheet leads us to upgrade the stock from HOLD to **BUY** with a fair value of ₹ 1000/share.

Rating matrix	
Rating	Buy
Target	₹ 1000
Target Period	12 months
Potential Upside	15%

What's Changed?	
Target	Changed from ₹ 944 to ₹ 1000
EPS FY18E	Changed from ₹27.1 to ₹25.5
EPS FY19E	Changed from ₹31.5 to ₹31.6
Rating	Changed from Hold to Buy

Quarterly Performance					
	Q1FY18	Q1FY17	YoY (%)	Q4FY17	QoQ (%)
Revenue	713.4	814.5	-12.4	1,342.8	-46.9
EBITDA	42.9	63.7	-32.6	152.1	-71.8
EBITDA (%)	6.0	7.8	-181 bps	11.3	-531 bps
PAT	32.4	45.2	-28.3	-16.7	-294.0

Key Financials				
₹ Crore	FY16	FY17E	FY18E	FY19E
Net Sales	4,389.9	3,841.7	4,324.1	5,509.0
EBITDA	407.7	373.8	410.1	516.7
Net Profit	352.9	144.9	304.0	376.4
EPS (₹)	29.6	12.2	25.5	31.6

Valuation summary				
	FY16	FY17E	FY18E	FY19E
P/E	30.0	73.2	34.9	28.2
Target P/E	33.4	81.4	38.8	31.3
EV / EBITDA	25.9	27.8	25.1	20.2
P/BV	4.3	4.1	3.8	3.4
RoNW (%)	14.2	5.6	10.8	12.1
RoCE (%)	15.3	11.6	11.6	13.8

Stock data	
Particular	Amount
Market Capitalization	₹ 10604.9 Crore
Total Debt (FY17)	₹ 94 crore
Cash and Investments (FY17)	₹ 733 crore
EV	₹ 9846 crore
52 week H/L	₹1066/690
Equity capital	₹ 23.8 Crore
Face value	₹ 2

Price performance (%)				
	1M	3M	6M	12M
BHEL India	(0.5)	(3.4)	14.5	2.8
L&T	4.2	3.2	9.3	(21.2)
BGR Energy	(2.6)	(4.8)	7.0	4.7
Thermax	(2.4)	(1.9)	1.3	4.7

Research Analyst	
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### Variance analysis

	Q1FY18	Q1FY18E	Q1FY17	Q1FY17 Y (Chg %)	Q4FY17	Q4FY17 Q (Chg %)	Comments
Total Operating Income	713.4	872.3	814.5	-12.4	1,342.8	-46.9	Revenues got impacted on account of GST implementation and infra issues at ports (impacted export revenues)
Other Income	22.2	26.0	21.1	5.4	32.1	-30.7	
Raw Material Expenses	369.1	418.7	391.2	-5.6	792.8	-53.4	
Employee Expenses	111.6	122.1	116.3	-4.1	130.4	-14.4	
Other Expenses	189.8	257.3	243.3	-22.0	267.5	-29.1	
Total Expenditure	670.5	798.2	750.8	-10.7	1,190.8	-43.7	
EBITDA	42.9	74.1	63.7	-32.6	152.1	-71.8	
EBITDA Margin (%)	6.0	8.5	7.8	-181 bps	11.3	-531 bps	Lower execution and higher input costs impacted margins
Depreciation	15.0	15.0	16.8	-11.1	16.3	-8.0	
Interest	0.5	0.0	0.7	-31.3	1.7	-72.3	
PBT	50.2	85.1	67.3	-25.4	33.4	50.1	
Total Tax	17.3	27.2	22.1	-21.8	50.2	-65.5	
PAT	32.4	57.9	45.2	-28.3	-16.7	-294.0	PAT was lower than expectation on account of revenue and EBITDA miss

### Key Metrics

Energy segment revenues	1,069	698	1,036	3.2	583	83.5
Environment segment revenues	329	174	271	21.4	246	33.6

Source: Company, ICICIdirect.com Research

### Change in estimates

₹ (Crore)	FY18E			FY19E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	4,125.2	4,324.1	4.8	4,746.6	5,509.0	16.1	We expect H2FY18E-FY19E to witness resumption of growth trends on account of better inflows
EBITDA	425.1	410.1	-3.5	514.6	516.7	0.4	
EBITDA Margin (%)	10.3	9.5	-82 bps	10.8	9.4	-146 bps	We expect margins to revive in FY19E on account of higher share of domestic execution
PAT	318.5	304.0	-4.6	375.0	376.4	0.4	
EPS (₹)	26.7	25.5	-4.5	31.7	31.6	-0.3	Resumption of growth in H2FY18E-FY19E led to change in estimates

Source: Company, ICICIdirect.com Research

### Assumptions

	FY18E		Current		Earlier		Comments
	FY16	FY17	FY18E	FY19E	FY18E	FY19E	
Order inflow growth (%)	-5.6	-4.1	66.0	19.5	73.2	14.5	Growth in international orders will drive order inflow for FY18E
Order backlog growth (%)	-14.8	-3.5	24.2	15.4	4.6	10.6	
Revenue growth (%)	-7.8	-12.2	9.1	27.2	3.9	15.1	
EBITDA margin (%)	9.3	9.7	9.5	9.4	10.3	10.8	

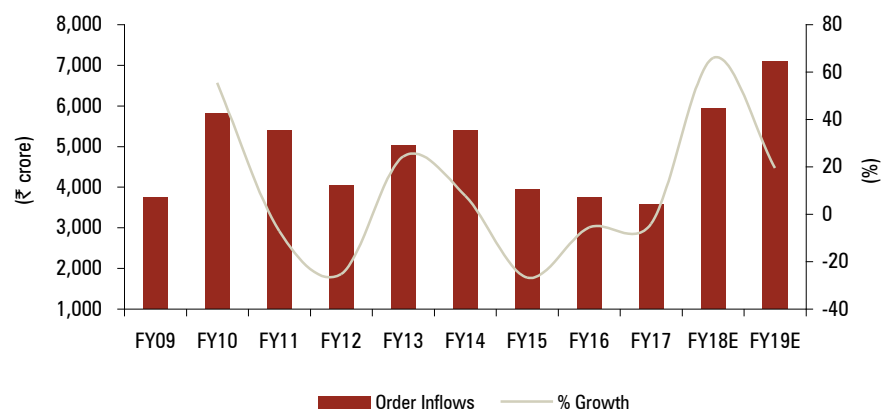
Source: Company, ICICIdirect.com Research

## Company Analysis

### Large export order saves the day...inflow outlook encouraging

After hitting a high of ₹ 5397 crore of inflows, the company's inflow growth has been in the negative in FY15-17 with FY17 order inflows declining 3.4% YoY despite a low base. Q1FY18 saw a good surge in inflows of ₹ 1750 crore on the back of a single order win of \$157 million in the export market. The management sounded upbeat on the outlook of ordering and expects sectors like food processing, textiles (polyester/yarn), refineries (WHR for desulphurisation wherein the company is commanding 50% share), light/commodity chemicals, metals (sponge iron), fertiliser and cement. Going ahead, we build in order inflows to the tune of ₹ 5900 crore and ₹ 7100 crore in FY18E and FY19E, respectively.

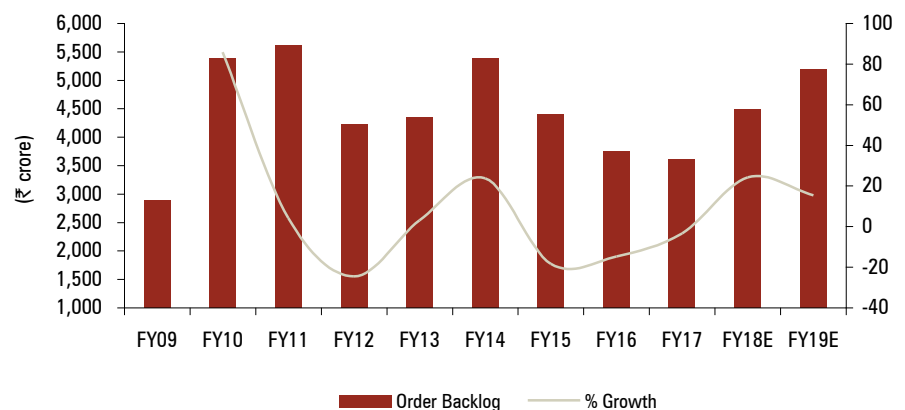
**Exhibit 1: Order inflows to come back strongly over next couple of years**



Source: Company, ICICIdirect.com Research

With a pick-up in orders flows in FY18-19E, we expect growth to turn positive. The backlog as of FY17 declined 3% YoY. We believe this has bottomed out. Going ahead, we expect the backlog grow at a CAGR of 19.7% in FY17-19E at ₹ 5183 crore

**Exhibit 2: Trend in order backlog**

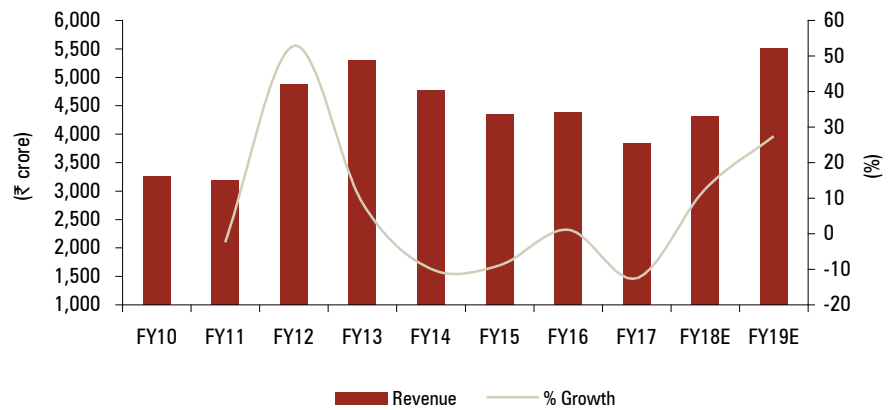


Source: Company, ICICIdirect.com Research

### Revenue growth to resume its trajectory in H2FY18

After five quarters of decline, the order backlog has grown 24% YoY to ₹ 4530 crore in Q1FY18. The same gives us reasonable confidence coupled with a strong outlook on the order pipeline, that revenue decline has already bottomed out for the company. Hence, we expect revenues to grow 12% and 27% YoY to ₹ 4324 crore and ₹ 5509 crore by FY18E and FY19E, respectively.

**Exhibit 3: Trend in revenues**

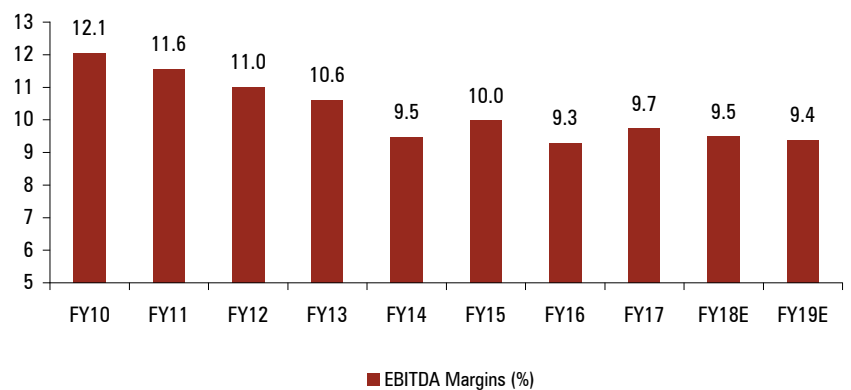


Source: Company, ICICIdirect.com Research

### EBIDTA margins to drift down to 9.4-9.5% over FY18-19E

From average margins of 11-12% that Thermax used to enjoy in FY07-11, margins structurally drifted down to 9.5-10.5% over the last couple of years. In FY17, Thermax recorded lower EBITDA margins of 9.7%. The key reason for the structural decline in margins is lower order inflows and resultant lower execution and negative operating leverage. Also, diversifying into the large power EPC segment is highly competitive and contributed to the decline. However, with a pick-up in execution, we expect margins to inch up to 9.4% in FY18E and FY19E.

**Exhibit 4: Margins likely to recover in FY18E**



Source: Company, ICICIdirect.com Research

### Danstoker performs well while TBW continues with losses

With respect to the performance of subsidiaries, Danstoker performed well YoY coupled with a strong order intake in Q1FY18. On the other hand, TBW JV posted a loss of ₹ 7 crore (Thermax' share in JV).

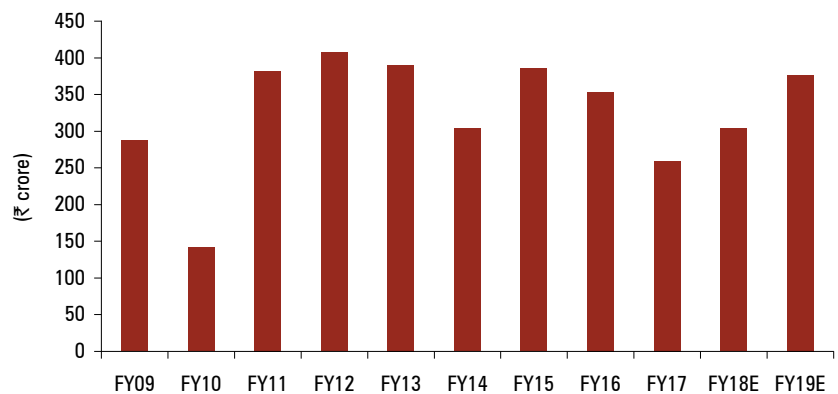
### Commissioning of capex to aid growth from H2FY18 onwards

The Indonesia facility will commence operations in Q2FY18 and is addressing a market size of \$400 million whereas the Dahej facility (water treatment chemicals) will also start production from Q2FY18. At peak capacity of 40000 tonnes, the company can clock revenues of ₹ 800 crore in the long run. The facility at SRI city (absorption chillers) will house 2.5x the current capacity at Pune. We believe this will support revenue growth in FY19E.

### PAT to grow at 17% CAGR over FY17-19E

On account of a decline in revenues and margins, adjusted PAT declined 22% YoY to ₹ 277 crore in FY17. However, with a pick-up in order inflows, execution and commissioning of new capex, we expect Thermax to report a turnaround in profitability trend. We expect PAT CAGR of 17% in FY17-19E. FY18E and FY19E PAT is expected at ₹ 305 crore and ₹ 377 crore, respectively.

**Exhibit 5: Trend in PAT**

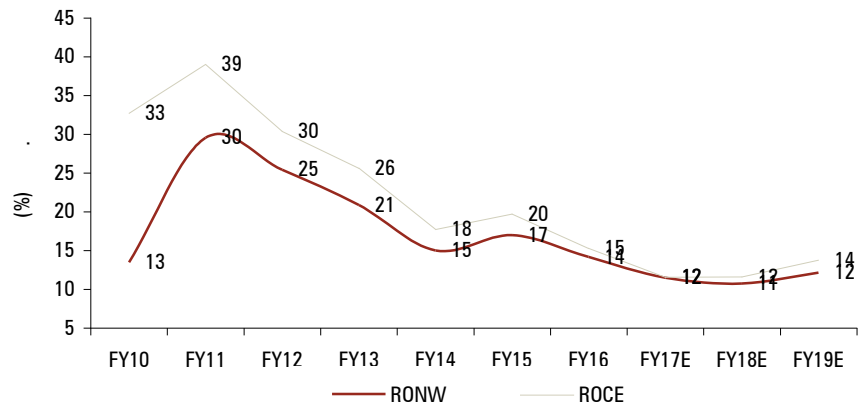


Source: Company, ICICIdirect.com Research

**RoEs to recover from FY18E onwards**

Thermax' subdued operating performance in FY12-17 has led to a significant erosion of return ratios over the same period. RoEs had fallen to 29.6% in FY11 to ~21% in FY13 and 5.6% in FY17. Going ahead, with a pick-up in execution and margins, we expect RoEs to recover to 10.8% in FY18E and 12.2% in FY19E. Even RoCEs are expected to range between 13.9% and 15.3% in FY18E-19E.

**Exhibit 6: Return ratios to recover from FY18E onwards**



Source: Company, ICICIdirect.com Research

## Outlook and Valuation

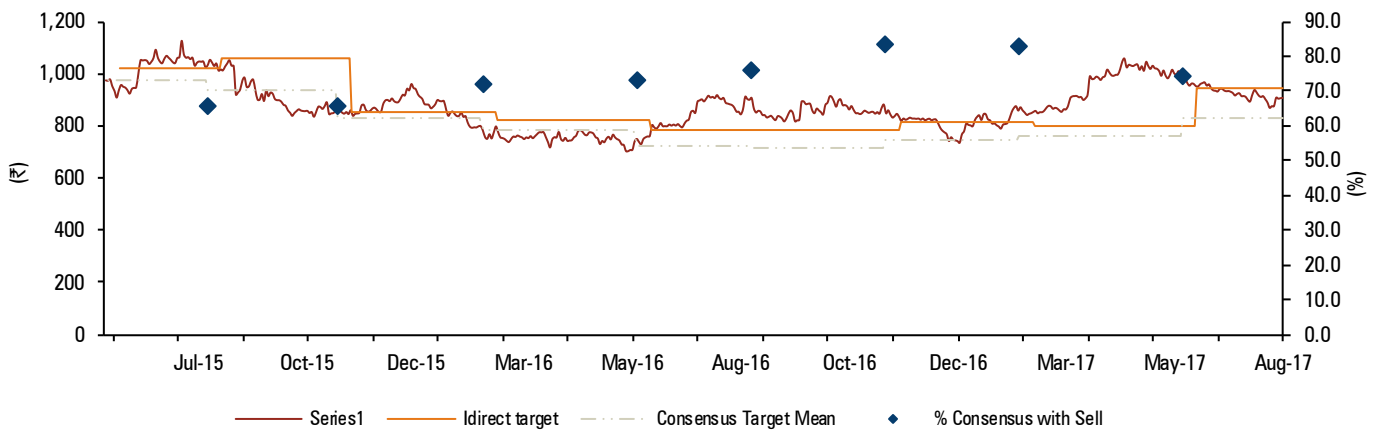
Growth in order backlog (24% YoY), positive outlook on the order inflow environment and commissioning of capex give us confidence after many quarters that Thermax is likely on track to resume its growth path. Hence, an expected 17% PAT CAGR and a lean balance sheet leads us to upgrade the stock from HOLD to **BUY** with a fair value of ₹ 1000/share.

### Exhibit 7: SoTP Valuations

	Parameter	Value	₹ Per share
Standalone	30x FY19E EPS	11,324.9	947.7
Equity Invested in Subsidaire	1x Equity	558.0	46.7
<b>Total</b>	<b>Rounded off</b>	<b>11,882.9</b>	<b>1,000</b>

Source: Company, ICICIdirect.com Research

### Recommendation History vs. Consensus



Source: Bloomberg, Company, ICICIdirect.com Research

### Key events

Date	Event
Sep-12	Thermax wins a ₹ 280 crore EPC order for a combined cycle extension power project from a leading Government of India enterprise
Sep-12	Thermax wins a ₹ 503 crore EPC order from a leading Government of India enterprise for setting up a captive power plant for its new 3 MTPA integrated steel plant in Central India
Jul-13	Wins prestigious order from a leading petrochemical company for the design, manufacture and commissioning of nine circulating fluidised bed combustion (CFBC) high pressure boilers of 500 TPH each for two of its plants. The order size was ₹ 700 crore
Mar-14	For FY14, reports order wins of ₹ 5389 crore, up 11% while revenues for the whole year were down 8% YoY and EBITDA margins came in at 9.5%, lowest in the last
Mar-15	The company reports a dismal performance in FY15 on the back of weak order inflows to the tune of 27% YoY decline in the same thereby impacting visibility for FY16
Mar-16	Poor show continues as order inflows and revenues decline 6% YoY and 8% YoY respectively. But on the B&W JV the company curtails losses as they get reduced to ₹ 70 crore
Dec-16	The company manages to arrest the decline in order flows as order wins in 9MFY17 are up 10% YoY at ₹ 2809 crore

Source: Company, ICICIdirect.com Research

### Top 10 Shareholders

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	RDA Holding & Trading Pvt. Ltd.	30-Jun-17	57.1	64.3	0.0
2	ARA Trusteeship Company Pvt. Ltd.	30-Jun-17	8.5	9.5	0.0
3	Matthews International Capital Management, L.L.C.	30-Jun-17	4.7	5.3	0.0
4	SBI Funds Management Pvt. Ltd.	30-Jun-17	3.1	3.5	0.1
5	PineBridge Investments LLC	30-Jun-17	2.6	2.9	0.0
6	ICICI Prudential Asset Management Co. Ltd.	30-Jun-16	2.2	2.4	0.1
7	Life Insurance Corporation of India	30-Jun-17	1.6	1.8	0.0
8	Goldman Sachs Asset Management International	30-Jun-17	1.4	1.6	-0.9
9	UTI Asset Management Co. Ltd.	30-Jun-17	1.4	1.5	0.2
10	HDFC Asset Management Co., Ltd.	31-May-17	0.8	0.9	0.0

### Shareholding Pattern

(in %)	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Promoter	61.98	61.98	61.98	61.98	61.98
FII	15.99	15.99	16.41	16.11	16.20
DII	7.81	10.13	9.73	9.28	9.55
Others	14.22	11.90	11.88	12.63	12.27

Source: Reuters, ICICIdirect.com Research

### Recent Activity

Buys			Sells		
Investor Name	Value	Shares	Investor Name	Value	Shares
Norges Bank Investment Management (NBIM)	+6.01M	+0.55M	PineBridge Investments Asia Limited	-22.41M	-2.05M
UTI Asset Management Co. Ltd.	+3.45M	+0.24M	Goldman Sachs Asset Management International	-13.59M	-0.94M
SBI Funds Management Pvt. Ltd.	+1.29M	+0.09M	Caisse de Depot et Placement du Quebec	-1.25M	-0.11M
State Street Global Advisors (US)	+0.88M	+0.05M	Capital International, Inc.	-1.02M	-0.09M
Kotak Mahindra Asset Management Company Ltd.	+0.81M	+0.05M	Franklin Templeton Asset Management (India) Pvt. Ltd.	-0.78M	-0.07M

Source: Reuters, ICICIdirect.com Research



## Financial summary

Profit and loss statement		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Total operating Income	4,389.9	3,841.7	4,324.1	5,509.0	
Growth (%)	-6.5	-12.5	12.6	27.4	
Raw Material Expenses	2,740.5	2,060.3	2,397.0	3,048.7	
Employee Expenses	454.2	458.9	506.8	620.9	
Other Operating Expenses	787.5	948.7	1,010.2	1,322.7	
Administrative Expenses	0.0	0.0	0.0	0.0	
Other expenses	0.0	0.0	0.0	0.0	
Total Operating Expenditure	3,975.7	3,455.4	3,926.6	5,019.7	
EBITDA	407.7	373.8	410.1	516.7	
Growth (%)	-13.0	-8.3	9.7	26.0	
Depreciation	13.5	65.3	70.8	77.1	
Interest	0.6	3.6	0.5	0.0	
Other Income	90.8	102.6	110.2	114.0	
PBT	484.3	274.7	449.0	553.5	
Others	0.0	0.0	0.0	0.0	
Total Tax	131.4	129.8	145.1	177.1	
PAT	352.9	276.9	304.0	376.4	
Growth (%)	-8.3	-21.5	9.8	23.8	
EPS (₹)	29.6	23.2	25.5	31.6	

Source: Company, ICICIdirect.com Research

Balance sheet		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
<b>Liabilities</b>					
Equity Capital	23.8	23.8	23.8	23.8	
Reserve and Surplus	2,463.5	2,548.7	2,802.6	3,078.9	
Total Shareholders funds	2,487.4	2,572.5	2,826.4	3,102.7	
Total Debt	91.3	91.3	91.3	91.3	
Deferred Tax Liability	0.0	0.0	0.0	0.0	
Minority Interest / Others	0.0	0.0	0.0	0.0	
Total Liabilities	2,578.7	2,663.8	2,917.7	3,194.0	
<b>Assets</b>					
Gross Block	960.9	1,005.9	1,055.9	1,115.9	
Less: Acc Depreciation	407.6	459.1	516.1	579.4	
Net Block	553.3	546.8	539.8	536.5	
Capital WIP	39.2	50.0	50.0	50.0	
Total Fixed Assets	592.5	596.8	589.8	586.5	
Investments	667.2	697.2	747.2	797.2	
Inventory	224.8	210.9	305.2	351.0	
Debtors	1,390.9	1,224.1	1,384.1	1,759.9	
Loans and Advances	129.3	135.7	121.1	205.5	
Other Current Assets	503.9	556.3	728.0	796.2	
Cash	142.8	291.2	422.1	261.3	
Total Current Assets	2,391.7	2,418.3	2,960.6	3,373.9	
Creditors	852.0	674.3	762.4	969.4	
Provisions	295.8	303.4	381.2	465.3	
Total Current Liabilities	2,380.7	2,319.5	2,884.3	3,395.7	
Net Current Assets	849.7	850.4	1,037.1	1,194.7	
Others Assets	0.0	0.0	0.0	0.0	
Total	2,578.7	2,663.9	2,917.7	3,194.0	

Source: Company, ICICIdirect.com Research

Cash flow statement		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Profit after Tax	352.9	144.9	304.0	376.4	
Add: Depreciation	13.5	65.3	70.8	77.1	
(Inc)/dec in Current Assets	182.0	208.9	-620.7	-829.8	
Inc/(dec) in CL and Provisions	-127.2	-61.2	564.8	511.4	
Others	3.3	3.0	5.0	5.0	
CF from operating activities	421.2	357.9	318.9	135.1	
(Inc)/dec in Investments	-193.0	-30.0	-50.0	-50.0	
(Inc)/dec in Fixed Assets	10.2	-55.8	-50.0	-79.5	
Others	0.0	0.0	0.0	0.0	
CF from investing activities	-438.2	-149.7	-137.9	-195.9	
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0	
Inc/(dec) in loan funds	59.6	0.0	0.0	0.0	
Dividend paid & dividend tax	-86.0	-85.8	-100.1	-100.1	
Inc/(dec) in Sec. premium	0.0	0.0	0.0	0.0	
Others	0.0	7.6	0.0	0.0	
CF from financing activities	-73.5	-59.8	-50.1	-100.1	
Net Cash flow	-90.5	148.4	130.9	-160.8	
Opening Cash	233.3	142.8	291.2	422.1	
Closing Cash	142.8	291.2	422.1	261.3	

Source: Company, ICICIdirect.com Research

Key ratios		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
<b>Per share data (₹)</b>					
EPS	29.6	12.2	25.5	31.6	
Cash EPS	30.8	17.6	31.5	38.1	
BV	208.7	215.9	237.2	260.4	
DPS	6.0	6.0	7.0	0.0	
Cash Per Share	12.0	24.4	35.4	21.9	
<b>Operating Ratios (%)</b>					
EBITDA Margin	9.3	9.7	9.5	9.4	
PBT / Total Operating income	11.3	7.3	10.5	10.2	
PAT Margin	8.0	3.8	7.0	6.8	
Inventory days	19.2	21.0	22.0	22.0	
Debtor days	118.2	118.0	118.0	118.0	
Creditor days	72.4	65.0	65.0	65.0	
<b>Return Ratios (%)</b>					
RoE	14.2	5.6	10.8	12.1	
RoCE	15.3	11.6	11.6	13.8	
RoIC	16.4	13.3	13.9	15.2	
<b>Valuation Ratios (x)</b>					
P/E	30.0	73.2	34.9	28.2	
EV / EBITDA	25.9	27.8	25.1	20.2	
EV / Net Sales	2.5	2.7	2.4	1.9	
Market Cap / Sales	2.5	2.8	2.5	1.9	
Price to Book Value	4.3	4.1	3.8	3.4	
<b>Solvency Ratios</b>					
Debt/EBITDA	0.2	0.2	0.2	0.2	
Debt / Equity	0.0	0.0	0.0	0.0	
Current Ratio	1.4	1.4	1.4	1.4	
Quick Ratio	1.3	1.2	1.2	1.3	

Source: Company, ICICIdirect.com Research

### ICICIdirect.com coverage universe (Capital Goods)

	CMP		Rating	M Cap (₹ Cr)	EPS (₹)			P/E (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)			FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E
AIA Engineering	1448	1,533	Buy	13322	50.1	51.9	60.3	28.9	27.9	24.0	24.7	21.9	22.4	22.1	19.6	19.9
Thermax (THERMA)	870	1000	Buy	10223	12.2	25.5	31.5	71.3	34.1	27.6	11.6	12.1	13.6	5.6	11.2	12.0
KEC International (KECIN)	295	330	Buy	3881	12.8	14.1	18.0	23.0	20.9	16.4	16.1	17.0	18.8	17.4	16.1	18.1
L&T (LARTOU)	1160	1430	Buy	161240	33.9	42.0	48.6	34.2	27.6	23.8	10.2	12.0	13.5	11.4	13.3	14.4
Greaves Cotton (GREAVE)	157	164	Hold	3831	7.3	8.1	9.1	21.5	19.4	17.3	28.7	30.6	33.1	21.2	21.8	23.6
VaTech Wabag (VATWAB)	640	765	Buy	3633	18.8	39.4	48.0	34.0	16.2	13.3	22.1	24.3	24.8	10.0	18.4	19.1
NRB Bearing (NRBBEA)	125	115	Hold	1115	5.6	5.9	6.5	22.4	21.1	19.3	16.0	16.8	16.9	17.5	16.8	16.5
Timken India (TATTIM)	730	700	Hold	4691	14.3	15.9	19.3	51.0	48.3	43.3	22.7	24.2	24.2	16.0	15.7	16.7
Grindwell Norton (GRINOR)	430	500	Buy	3543	10.8	12.5	14.4	39.8	34.5	29.9	19.5	21.3	22.4	13.4	14.2	15.0

Source: Company, ICICIdirect.com Research

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Buy: > 10%/15% for large caps/midcaps, respectively;

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Sell: -10% or more;



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