

CAPITAL FIRST

Surmounting headwinds

India Equity Research | Banking and Financial Services

Capital First (CAFL) clocked decent core operating performance in Q4FY17. NII momentum sustained (up ~53% YoY) on strong retail AUM growth (up >33% YoY) and NIMs improvement (loan mix change and capital raising benefit). AUM grew >23% YoY, albeit below trend due to run-down in wholesale book even as retail segment continued its robust run. Asset quality was broadly stable with GNPLs at sub-1% level even as the company did not utilise RBI dispensation. Meanwhile, credit cost was higher as CAFL shored up its coverage ratio to >68% (61% in Q3FY17). We anticipate optimal product strategy anchored by stringent risk mitigants to fuel smart J-shaped surge in return ratios—RoA of 2% and RoE of 16-18% by FY19E. Maintain 'BUY'.

Retail continues to spearhead AUM spurt

Robust retail growth (up >33% YoY) continued to drive AUM surge, taking its proportion to >92% (~86% in Q4FY16) as CAFL continued to rationalise its wholesale book (down >35% YoY, to sub-8% of AUM following some repayment in Q4FY17). Retail surge was driven by consumer durables (up >62% YoY, 11% QoQ, forming 13% of AUM) and business loans (up >70% YoY). Looking into FY17, despite challenges, CAFL's strong growth momentum reinforces our conviction that it will post 25-27% AUM CAGR over FY17-19E given expanding footprint and huge untapped credit demand.

Asset quality benign demonetisation notwithstanding

Notwithstanding demonetisation challenges, asset quality remained strong—GNPLs at <1%—partially due to no dependence on cash repayment. This vindicates CAFL's sound under-writing skills & collection efficiency given strong business analytics, cutting-edge technology and competent score cards. However, CAFL conservatively chose to shore up coverage to >68% (~61% in Q3FY17), which led to elevated credit cost.

Outlook and valuations: In right direction; maintain 'BUY'

Earnings are poised to post >40% CAGR over FY17-19E spurred by healthy AUM CAGR, operating leverage benefits & higher cross-sell. Though valuation, at 2.7x FY19E P/ABV, appears expensive considering historical RoE, given sustainable growth phase and sharp RoE recovery, we expect stock to re-rate further on consistent earnings delivery. Factoring in capital raising done in FY17 and consequent upward revision in earnings of FY18/FY19 by 7%/5% we revise our TP to INR885 (INR767 earlier). We see risk reward centered around any blip on asset quality. Maintain 'BUY/SO'.

Financials (Standalone)

Year to March	Q4FY17	Q4FY16	Growth %	Q3FY17	Growth %	FY17	FY18E	FY19E
Net revenue	4,628	2,991	54.7	4,174	10.9	15,989	19,985	25,467
Net profit	692	443	56.2	557	24.2	2,169	3,551	4,511
Dil. EPS (INR)	6.7	4.6	44.6	5.6	19.5	22.3	36.4	46.3
Adj. BV (INR)						226.4	254.4	288.9
Price/ Adj book (x)						3.4	3.0	2.7
Price/ Earnings (x)						34.6	21.1	16.6

EDELWEISS 4D RATINGS

Absolute Rating	BUY
Rating Relative to Sector	Outperform
Risk Rating Relative to Sector	Medium
Sector Relative to Market	Overweight

MARKET DATA (R: CAPF.BO, B: CAFL IN)

CMP	: INR 771
Target Price	: INR 885
52-week range (INR)	: 815 / 465
Share in issue (mn)	: 97.4
M cap (INR bn/USD mn)	: 77 / 1,196
Avg. Daily Vol.BSE/NSE('000)	: 277.4

SHARE HOLDING PATTERN (%)

	Current	Q3FY17	Q2FY17
Promoters *	61.1	61.2	64.4
MF's, FI's & BK's	6.2	5.8	6.5
FII's	8.4	6.4	7.3
Others	24.3	26.6	21.8
* Promoters pledged shares (% of share in issue)	:		NIL

PRICE PERFORMANCE (%)

	Stock	Nifty	EW Banks and Financial Services Index
1 month	(2.9)	2.4	4.9
3 months	14.9	7.2	12.0
12 months	52.6	19.3	34.6

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Opex growth higher on sustained investments

While CAFL reported strong revenue traction, the same was, to some extent, offset by higher opex (up ~52% YoY). The opex spurt is attributed to: a) change in consumer mix; and b) sustained investment in infrastructure (particularly in the affordable housing segment), in pursuit of high growth. With end of investment phase, further scale up of businesses will enhance operating leverage. Though shift to high-yield consumer durables and 2-wheeler loans will entail higher opex and credit costs, it will be RoA accretive.

Table 1: Retail focus extends

(%)	FY15	FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17
Retail	84.5	85.8	88.5	90.1	90.6	92.6
Wholesale	15.5	14.2	11.5	9.9	9.4	7.4

Source: Company

Table 2: Retail growth driven by business loans and consumer durables

(%)	FY15	FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17
Secured MSME & home loans	72.7	60.5	57.8	54.6	51.7	49.9
Unsecured MSME	9.5	14.9	15.2	18.2	18.4	19.1
Two wheeler	8.4	10.2	10.1	10.3	11.0	11.0
Consumer loans	7.3	11.5	13.2	12.4	13.5	14.0
Others (incl. gold loans)	2.1	2.9	3.7	4.6	5.3	6.0

Source: Company

Table 3: Sustained investments keep opex high with cost/income ratio at ~51%

(%)	FY15	FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17
Opex / Assets	3.9	4.3	4.0	4.6	4.5	4.8
Cost / Income	58.7	51.3	49.4	53.0	49.4	50.6

Source: Company

Table 4: Asset quality stable

(%)	FY15	FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17
GNPLs	0.7	1.0	1.2	1.0	1.0	1.0
NNPLs	0.2	0.6	0.6	0.5	0.4	0.3
Credit Costs	1.1	2.0	2.4	2.3	2.7	2.4

Source: Company

Table 5: Borrowings composition

(%)	FY15	FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17
Bank Borrowing	85.3	75.1	67.5	68.5	51.1	58.4
NCD	6.8	15.6	16.5	19.0	24.3	27.8
CP	-	0.7	7.8	4.8	10.6	6.0
Sub Debt	5.6	6.6	6.1	5.7	6.0	5.8
Perpetual Debt	2.3	2.1	2.2	2.0	2.0	2.0

Source: Company

Financial snapshot

(INR mn)

Year to March	Q4FY17	Q4FY16	% change	Q3FY17	% change	FY17	FY18E	FY19E
Interest income	7,291	5,458	33.6	7,173	1.6	24,276	29,641	36,420
Interest exp	2,714	2,467	10.0	3,001	(9.6)	11,279	13,311	15,995
Net int. inc. (INR mn)	4,577	2,991	53.0	4,172	9.7	12,997	16,330	20,425
Net revenues	4,628	2,991	54.7	4,174	10.9	15,989	19,985	25,467
Operating expenses	2,392	1,566	52.8	2,099	14.0	8,258	9,630	11,504
Operating profit	2,236	1,425	56.9	2,075	7.8	7,732	10,356	13,963
Provisions	1,178	757	55.7	1,224	(3.8)	4,409	5,016	7,180
Profit before tax	1,058	669	58.2	851	24.4	3,323	5,340	6,783
Provision for taxes	366	226	61.9	294	24.6	1,154	1,789	2,272
PAT	692	443	56.2	557	24.2	2,169	3,551	4,511
Diluted EPS (INR)	6.7	4.6	44.6	5.6	19.5	22.3	36.4	46.3

Ratios

NII/GII (%)	62.8	54.8		58.2		53.5	55.1	56.1
Cost/income (%)	51.7	52.3		50.3		51.6	48.2	45.2
Tax rate (%)	34.6	33.8		34.5		34.7	33.5	33.5

Bal. sheet data (INRbn)

AUM	198,241	160,408	23.6	187,835	5.5	198,241	253,815	311,304
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Ratios

Gross NPA	1.0	1.1		1.0		1.0	1.2	1.7
Net NPA	0.3	0.6		0.4		0.3	0.4	0.5
B/V per share (INR)	-	-		-		229.6	259.7	297.8
Adj book value / share	-	-		-		226.4	254.4	288.9
Price/ Book (x)	-	-		-		3.4	3.0	2.6
Price/ Adj. book (x)	-	-		-		3.4	3.0	2.7
Price/ Earnings	-	-		-		34.6	21.1	16.6

Change in Estimates

	New	FY18E Old	% change	New	FY19E Old	% change	Comments
NII	16,330	15,425	5.9	20,425	19,638	4.0	Factoring in higher NIMs on mix change and capital raising benefit
PPOP	10,356	10,016	3.4	13,963	13,173	6.0	
Provisions	5,016	5,031	(0.3)	7,180	6,704	7.1	
PAT	3,551	3,315	7.1	4,511	4,302	4.8	
NIMs	9.0	8.4		9.1	8.7		

Company Description

Mr. Vaidyanathan, with financial backing from Warburg Pincus', bought out majority shareholders of an existing NBFC which was primarily into wholesale financing and the brand Capital First was born. Post that, Mr. Vaidyanathan changed the key constituents of the company: (a) majority and minority shareholding was changed through buyout and open offer to public; (b) fresh INR1bn capital was infused; (c) Board of Directors was reconstituted; and (d) business was changed from wholesale to retail lending.

CAFL's retail lending business has clocked a commendable growth from AUM of INR35bn in FY12 to INR183bn currently. Within the retail book as well, the company has built a granular book with incremental focus on high-growth high-yield segments such as consumer durable, 2-wheeler loans, etc.

Investment Theme

CAFL's earnings are poised to post >40% CAGR over FY17-19E riding on healthy AUM CAGR, prudent product shift strategy, operating leverage benefits, controlled credit cost and higher cross-sell opportunities. Though valuation of 2.7x FY19E P/ABV appears expensive considering historical RoE, given the sustainable growth phase and sharp RoE recovery, we expect it to re-rate further as earnings and visibility improve.

Key Risks

CAFL has built the retail book only over the past 5-6 years registering >40% CAGR over FY12-16. Ergo, the fact remains that the book is yet to face an economic down cycle.

Adverse regulatory changes such as increase in risk weights, securitization norms, capital adequacy requirement etc., can impact CAFL's growth and profitability.

Financial Statements

Key Assumptions

Year to March	FY16	FY17E	FY18E	FY19E
Macro				
GDP(Y-o-Y %)	7.2	6.5	7.1	7.7
Inflation (Avg)	4.9	4.8	5.0	5.2
Repo rate (exit rate)	6.8	6.3	6.3	6.3
USD/INR (Avg)	65.0	67.5	67.0	67.0
Sector				
Credit growth	9.3	9.0	12.0	14.0
Bank's base rate (%)	9.5	9.0	9.0	9.0
Wholesale borr. cost (%)	8.5	8.5	8.5	8.5
G-sec yield	7.5	6.5	6.5	6.5
Company				
Op. metric assump. (%)				
Yield on advances	15.2	17.6	17.4	17.2
Cost of funds	8.7	8.7	8.4	8.1
Spread	6.5	8.9	9.1	9.1
Employee cost growth	30.5	32.8	42.1	27.6
Other opex growth	34.5	84.0	6.5	15.5
Tax rate (%)	34.2	34.7	33.5	33.5
Dividend payout	14.0	11.5	15.0	15.0
Balance sheet assumption (%)				
Loan growth	38.3	17.8	28.0	22.6
Gross NPLs	1.0	1.0	1.2	1.7
Net NPLs	0.6	0.3	0.4	0.5
Provision coverage	45.5	68.4	68.0	70.0

Income statement

(INR mn)

Year to March	FY16	FY17E	FY18E	FY19E
Interest income	16,570	24,276	29,641	36,420
Interest expended	8,759	11,279	13,311	15,995
Net interest income	7,811	12,997	16,330	20,425
- Fee & forex income	1,908	2,992	3,655	5,041
Net revenues	9,719	15,989	19,985	25,467
Operating expense	4,986	8,258	9,630	11,504
- Employee exp	1,755	2,332	3,314	4,227
- Depn /amortisation	100	166	184	194
- Other opex	3,131	5,759	6,132	7,083
Preprovision profit	4,733	7,732	10,356	13,963
Provisions	2,347	4,409	5,016	7,180
Profit Before Tax	2,386	3,323	5,340	6,783
Less: Provision for Tax	817	1,154	1,789	2,272
Profit After Tax	1,569	2,169	3,551	4,511
Reported Profit	1,569	2,169	3,551	4,511
Shares o /s (mn)	91	97	97	97
Basic EPS (INR)	17.2	22.3	36.4	46.3
Diluted shares o/s (mn)	91	97	97	97
Adj. Diluted EPS (INR)	17.2	22.3	36.4	46.3
Dividend per share (DPS)	2.4	2.6	5.5	6.9
Dividend Payout Ratio(%)	14.0	11.5	15.0	15.0

Growth ratios (%)

Year to March	FY16	FY17E	FY18E	FY19E
Revenues	51.2	64.5	25.0	27.4
NII growth	52.3	66.4	25.6	25.1
Opex growth	32.2	65.6	16.6	19.5
PPP growth	78.1	63.3	33.9	34.8
Provisions growth	124.8	87.8	13.8	43.1
Adjusted Profit	40.1	38.2	63.7	27.0

Operating ratios

Year to March	FY16	FY17E	FY18E	FY19E
Yield on advances	15.2	17.6	17.4	17.2
Cost of funds	8.7	8.7	8.4	8.1
Net interest margins	6.7	8.8	9.0	9.1
Spread	6.5	8.9	9.1	9.1
Cost-income	51.3	51.6	48.2	45.2
Tax rate	34.2	34.7	33.5	33.5

Balance sheet		(INR mn)			
As on 31st March	FY16	FY17E	FY18E	FY19E	
Share capital	912	974	974	974	
Reserves & Surplus	15,685	21,398	24,322	28,036	
Shareholders' funds	16,597	22,372	25,296	29,010	
Short term borrowings	44,930	54,705	68,706	84,781	
Long term borrowings	70,942	86,377	108,484	133,867	
Total Borrowings	115,872	141,081	177,190	218,648	
Long Term Liabilities	1,702	1,143	1,463	1,795	
Def. Tax Liability (net)	(544)	(691)	(602)	(488)	
Sources of funds	133,627	163,905	203,348	248,965	
Gross Block	684	884	1,284	1,484	
Net Block	194	430	573	577	
Intangible Assets	98	217	289	291	
Total Fixed Assets	292	646	862	868	
Non current investments	2,223	2,878	2,968	2,968	
Cash and Equivalents	10,665	15,525	14,094	17,860	
Sundry Debtors	267	615	677	745	
Loans & Advances	126,333	148,989	190,757	233,963	
Current assets (ex cash)	267	615	677	745	
Trade payable	1,222	1,751	2,189	2,736	
Other Current Liab	4,932	2,997	3,821	4,702	
Total Current Liab	6,154	4,748	6,009	7,438	
Net Curr Assets-ex cash	(5,887)	(4,133)	(5,333)	(6,694)	
Uses of funds	133,627	163,905	203,348	248,965	
BVPS (INR)	181.9	229.6	259.7	297.8	
EA growth	35.8	21.4	24.0	22.5	
Provision coverage	45.5	68.4	68.0	70.0	
Gross NPA ratio	1.0	1.0	1.2	1.7	
Net NPA ratio	0.6	0.3	0.4	0.5	
Capital adequacy	19.5	20.3	18.0	16.8	
- Tier 1	14.7	16.0	14.1	13.2	

RoE decomposition (%)					
Year to March	FY16	FY17E	FY18E	FY19E	
Net int. income/assets	6.7	8.8	9.0	9.1	
Other income/Assets	1.6	2.0	2.0	2.3	
Net revenues/assets	8.4	10.8	11.0	11.4	
Operating expense/assets	4.3	5.6	5.3	5.1	
Provisions/assets	2.0	3.0	2.8	3.2	
Taxes/assets	0.7	0.8	1.0	1.0	
Total costs/assets	7.0	9.3	9.1	9.4	
ROA	1.4	1.5	2.0	2.0	
Equity/assets	13.8	13.2	13.1	12.1	
ROAE (%)	9.8	11.1	14.9	16.6	

Valuation parameters					
Year to March	FY16	FY17E	FY18E	FY19E	
Adj. Diluted EPS (INR)	17.2	22.3	36.4	46.3	
Y-o-Y growth (%)	33.8	29.4	63.7	27.0	
BV per share (INR)	181.9	229.6	259.7	297.8	
Adj. BV per share (INR)	176.6	226.4	254.4	288.9	
Diluted P/E (x)	44.8	34.6	21.1	16.6	
P/B (x)	4.2	3.4	3.0	2.6	
Price/ Adj. BV (x)	4.4	3.4	3.0	2.7	
Dividend Yield (%)	0.3	0.3	0.7	0.9	

Peer comparison valuation

Name	Market cap (USD mn)	Diluted P/E (X)		P/B (X)		ROAE (%)	
		FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
Capital First	1,196	21.1	16.6	3.0	2.7	14.9	16.6
Dewan Housing Finance	2,138	12.4	10.9	1.6	1.5	13.7	14.3
HDFC	38,612	30.1	26.2	5.7	5.2	20.0	20.8
Indiabulls Housing Finance	7,098	13.2	11.1	3.5	3.0	27.7	29.2
LIC Housing Finance	5,441	16.2	14.7	2.7	2.3	19.6	18.9
Mahindra & Mahindra Financial Services	2,916	27.7	19.0	2.8	2.5	10.2	13.8
Manappuram General Finance	1,262	9.1	7.6	2.3	1.9	26.5	27.4
Muthoot Finance	2,463	11.7	9.8	2.1	1.8	19.5	20.0
Power Finance Corp	6,790	6.4	6.0	1.0	0.9	16.1	15.3
Reliance Capital	2,677	14.0	11.2	1.0	0.9	7.4	8.6
Repco Home Finance	734	21.0	18.1	3.6	3.0	18.5	18.2
Rural Electrification Corporation	6,672	7.0	6.6	1.1	1.0	17.2	16.1
Shriram City Union Finance	2,147	16.4	11.5	2.4	2.1	15.7	19.3
Shriram Transport Finance	3,549	13.6	8.9	1.8	1.5	14.2	18.8
Median	-	13.8	11.2	2.3	2.0	16.6	18.5
AVERAGE	-	15.8	12.8	2.5	2.2	17.2	18.4

Source: Edelweiss research

Additional Data

Directors Data

V. Vaidyanathan	Executive Chairman	Apul Nayyar	Executive Director
Nihal Desai	Executive Director	Vishal Mahadevia	Non-Executive Director
Narendra Ostawal	Non-Executive Director	NC Singhal	Independent Director
Hemang Raja	Independent Director	M S Sundara Rajan	Independent Director
Brinda Jagirdar	Independent Director	Dinesh Kanabar	Independent Director

Auditors - S.R. Batliboi & Co. LLP

**as per last annual report*

Holding - Top 10

	Perc. Holding		Perc. Holding
Caladium Investment	4.91	Birla Sun Life Asset Management	4.24
Vaidyanathan V	3.64	Goldman Sachs Group	1.81
Norges Bank	1.43	HDFC Life Insurance	1.08
Jupiter Investment Management Group	0.79	Nayyar Apul	0.68
Canara HSBC Oriental Bank of Commerce	0.63	Ashburton Fund Managers	0.49

**as per last available data*

Bulk Deals

Data	Acquired / Seller	B/S	Qty Traded	Price
28 Mar 2017	Jv & Associates Llp	Sell	3208080	699.00
28 Mar 2017	V Vaidyanathan	Buy	3208080	699.00
16 Mar 2017	Norges Bank On Account Of The Government Pension Fund Global	Buy	650157	688.55
16 Mar 2017	Jv & Associates Llp	Sell	1565715	688.55

**in last one year*

Insider Trades

Reporting Data	Acquired / Seller	B/S	Qty Traded
06 Apr 2017	Apul Nayyar	Sell	50000.00
05 Apr 2017	Apul Nayyar	Sell	50000.00
28 Mar 2017	JV and Associates LLP	Sell	3208080.00
28 Mar 2017	V. Vaidyanathan	Buy	3208080.00
30 May 2016	Nilesh Doshi	Sell	17835.00

**in last one year*

Company	Absolute reco	Relative reco	Relative risk	Company	Absolute reco	Relative reco	Relative Risk
Allahabad Bank	HOLD	SU	M	Axis Bank	BUY	SO	M
Bajaj Finserv	BUY	SP	L	Bank of Baroda	BUY	SP	M
Bharat Financial Inclusion	BUY	SO	M	Capital First	BUY	SO	M
DCB Bank	REDUCE	SU	M	Dewan Housing Finance	BUY	SO	M
Equitas Holdings	BUY	SO	M	Federal Bank	BUY	SP	L
HDFC	HOLD	SP	L	HDFC Bank	BUY	SO	L
ICICI Bank	BUY	SO	L	IDFC Bank	HOLD	SP	L
Indiabulls Housing Finance	BUY	SO	M	IndusInd Bank	BUY	SP	L
Karnataka Bank	BUY	SP	M	Kotak Mahindra Bank	HOLD	SP	M
L&T FINANCE HOLDINGS LTD	BUY	SP	M	LIC Housing Finance	BUY	SP	M
Magma Fincorp	BUY	SP	M	Mahindra & Mahindra Financial Services	HOLD	SU	M
Manappuram General Finance	BUY	SO	H	Max Financial Services	BUY	SO	L
Multi Commodity Exchange of India	BUY	SP	M	Muthoot Finance	BUY	SO	M
Oriental Bank Of Commerce	HOLD	SP	L	Power Finance Corp	HOLD	SP	M
Punjab National Bank	BUY	SP	M	Reliance Capital	BUY	SP	M
Repco Home Finance	BUY	SO	M	Rural Electrification Corporation	BUY	SO	M
Shriram City Union Finance	BUY	SO	M	Shriram Transport Finance	BUY	SO	L
South Indian Bank	BUY	SP	M	State Bank of India	BUY	SP	L
Union Bank Of India	HOLD	SP	M	Yes Bank	BUY	SO	M

ABSOLUTE RATING

Ratings

Expected absolute returns over 12 months

Buy	More than 15%
Hold	Between 15% and - 5%
Reduce	Less than -5%

RELATIVE RETURNS RATING

Ratings

Criteria

Sector Outperformer (SO)	Stock return > 1.25 x Sector return
Sector Performer (SP)	Stock return > 0.75 x Sector return
	Stock return < 1.25 x Sector return
Sector Underperformer (SU)	Stock return < 0.75 x Sector return

Sector return is market cap weighted average return for the coverage universe within the sector

RELATIVE RISK RATING

Ratings

Criteria

Low (L)	Bottom 1/3rd percentile in the sector
Medium (M)	Middle 1/3rd percentile in the sector
High (H)	Top 1/3rd percentile in the sector

Risk ratings are based on Edelweiss risk model

SECTOR RATING

Ratings

Criteria

Overweight (OW)	Sector return > 1.25 x Nifty return
Equalweight (EW)	Sector return > 0.75 x Nifty return
	Sector return < 1.25 x Nifty return
Underweight (UW)	Sector return < 0.75 x Nifty return

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Coverage group(s) of stocks by primary analyst(s): Banking and Financial Services

Allahabad Bank, Axis Bank, Bharat Financial Inclusion, Bajaj Finserv, Bank of Baroda, Capital First, DCB Bank, Dewan Housing Finance, Equitas Holdings Ltd., Federal Bank, HDFC, HDFC Bank, ICICI Bank, IDFC Bank, Indiabulls Housing Finance, IndusInd Bank, Karnataka Bank, Kotak Mahindra Bank, LIC Housing Finance, L&T FINANCE HOLDINGS LTD, Max Financial Services, Multi Commodity Exchange of India, Manappuram General Finance, Magma Fincorp, Mahindra & Mahindra Financial Services, Muthoot Finance, Oriental Bank Of Commerce, Punjab National Bank, Power Finance Corp, Reliance Capital, Rural Electrification Corporation, Repco Home Finance, State Bank of India, Shriram City Union Finance, Shriram Transport Finance, South Indian Bank, Union Bank Of India, Yes Bank

Recent Research

Date	Company	Title	Price (INR)	Recos
10-May-17	Equitas Holdings	Tough quarter, but headed in right direction; <i>Result Update</i>	165	Buy
09-May-17	Union Bank of India	Challenges persist; <i>Result Update</i>	179	Hold
09-May-17	Multi Commodity Exchange	Soft volumes, but structural levers intact; <i>Result Update</i>	1,130	Buy

Distribution of Ratings / Market Cap

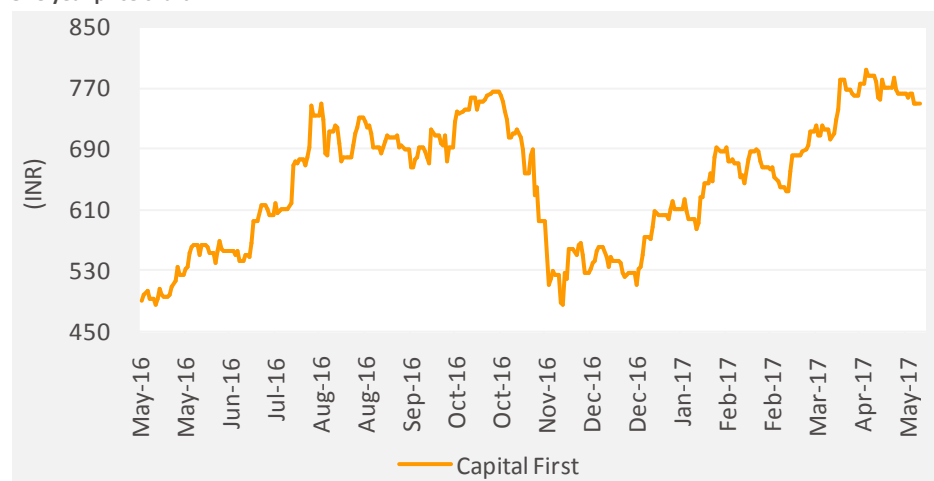
Edelweiss Research Coverage Universe

	Buy	Hold	Reduce	Total
Rating Distribution*	161	67	11	240
* 1stocks under review				
	> 50bn	Between 10bn and 50 bn	< 10bn	
Market Cap (INR)	156	62	11	

Rating Interpretation

Rating	Expected to
Buy	appreciate more than 15% over a 12-month period
Hold	appreciate up to 15% over a 12-month period
Reduce	depreciate more than 5% over a 12-month period

One year price chart



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