

# CROMPTON GREAVES

## Operational excellence despite GST blip

India Equity Research | Consumer Durables

Crompton Greaves Consumer (CRG) posted an operationally strong Q2FY18, which was commendable as many peers' top lines took a hit due to GST. Key highlights: a) gained market share in fans with 15% YoY growth versus market's decline, propelling premium offerings' share to 18% of fan sales; b) superior profitability, for fourth consecutive quarter, was driven by focus on premium products / cost efficiencies and surpassed most peers' across the consumer electrical space; and c) management stated inorganic growth opportunities will be pursued with an eye on gaining top 2 market positions in new product categories and not merely for the sake of entry in a segment. We remain optimistic on CRG's medium to long-term growth path and expect it to post strong free cash/RoCE over FY17-19 on account of potential inorganic growth opportunities given its low industry coverage versus peers. Maintain 'BUY' with revised TP of INR260 (INR265 earlier) as we build in lower re-stocking given management's cautious commentary.

### Q2FY18: Key highlights

CRG reported 16% growth in sales (excise adjusted), led by 20% and 15% YoY surge in lighting and fans segments, respectively. On account of sharp focus on premiumisation, the share of premium fans in total fans revenue jumped to 18% (16% in FY17). Despite the non-cash ESOP charge of INR141mn during the quarter (INR281 mn in H1, which management expects to be lower next year), CRG's margin expanded 100bps due to cost efficiencies and reduced ad spends. We expect the company to clock double digit growth over the next 2 quarters as restocking picks up along with cost efficiencies.

### What do we expect going forward?

CRG has already set its house in order with effective cost reduction programme, go-to-market strategy and premiumisation focus. Key monitorable is how CRG leverages its pan-India premium brand image to expand into the larger white goods segment.

### Outlook and valuations: Ready for big leap; maintain 'BUY'

Apart from sustained margin expansion over the past 4 quarters, cost efficiencies and premiumisation focus have helped CRG gain operational excellence (especially on cost front) in its existing business. We perceive potential strategic entry in the white goods as a key valuation driver. At CMP, the stock trades at 30x FY19PE. Maintain 'BUY/SO'.

#### Financials (Standalone)

(INR mn)

Year to March	Q2FY18	Q2FY17	% change	Q1FY18	% change	FY17	FY18E	FY19E
Net revenues	9,597	8,737	9.8	10,555	(9.1)	39,759	44,873	53,328
EBITDA	1,207	1,012	19.3	1,294	(6.7)	4,902	5,635	7,132
Adj. profit	708	583	21.4	803	(11.8)	2,932	3,458	4,573
Diluted EPS (INR)	1.1	0.9	21.4	1.3	(11.8)	4.7	5.5	7.3
Diluted P/E (x)						46.8	39.7	30.0
ROAE (%)						76.4	52.6	48.5

#### EDELWEISS 4D RATINGS

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

#### MARKET DATA (R: , B: CROMPTON IN)

CMP	: INR 219
Target Price	: INR 260
52-week range (INR)	: 246 / 135
Share in issue (mn)	: 626.7
M cap (INR bn/USD mn)	: 137 / 2,112
Avg. Daily Vol.BSE/NSE('000)	: 1,063.6

#### SHARE HOLDING PATTERN (%)

	Current	Q1FY18	Q4FY17
Promoters *	34.4	34.4	34.4
MF's, FI's & BK's	14.6	16.7	19.6
FII's	35.1	33.2	29.1
Others	15.9	15.7	16.9
* Promoters pledged shares (% of share in issue)	:	NIL	

#### PRICE PERFORMANCE (%)

	Stock	Nifty	EW Consumer Durables Index
1 month	3.3	6.0	6.0
3 months	0.4	3.0	1.6
12 months	7.4	19.8	9.0

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### Q2FY18 conference call: Key takeaways

**Excise:** Excise has now been replaced with GST for manufactured and traded goods. Therefore, the excise element was taken out of cost and hence cost was lower for excise adjusted comparison.

#### Performance:

- CRG reported revenue of INR9.6bn, up 16% (excise adjusted sales). Profit jumped 23.3%, which includes non-cash charge of INR141mn, adjusting for which PAT rose 39%.
- ECD business grew 11% wherein growth in fans was in line with the company's strategy to use innovation in the premium range like anti-dust fans.
- Process efficiencies, costs saving projects and product premiumisation have helped CRG cut costs. These savings, in turn, have been invested in the business, helping margins expand over the past 3-4 quarters (peers' margins declined over previous quarters and are now recovering).
- **Cost cutting:**
  - No ad spends during the quarter (INR100mn in Q1FY18) due to uncertainty around GST transition and Q2 being a non-seasonal quarter. However, they have resumed in Q3FY18—CRG is sponsoring the New Zealand and India cricket tour.
  - Octroi and input credit, which was unavailable earlier, now became available and have been netted off from material cost.
  - ESOP charge is expected to be lower in FY19.

#### Fans:

- CRG's retail market share in fans category rose by 0.3-0.4% points i.e., 15% growth versus 4-5% decline for market. Hence, consumption growth would be 12-13% and secondary growth in similar range, with rising volumes contributing most of the growth.
- The overall fans market has, however, declined by 4% since the past 8-9 months after demonitisation due to external factors like demonetisation and delay in construction of new homes (growth of 7-8% in FY17).
- **Market share:** Ceiling fans – 27%; premium fans account for 18% of total fan sales.
- CRG has managed to grow every month. However, GST transition challenges may continue and eventually stabilise by Jan-March FY19.
- Management expects the fans industry to start growing despite the temporary decline.

#### Lighting:

- 25% growth during the quarter.
- The LED business now constitutes ~70% of total lighting segment's revenue.
- Fixtures constitute ~60% of total lighting segment's revenue.
- CRG's market share has increased in the retail LED segment over the past 12 months.
- EESL revenues during the quarter were the same as last year.

#### Pumps:

- **Agri pumps:** CRG is expanding and enhancing capability to build distribution network via initiatives like agri meets. The market has been down due to rains though.
- **Residential pumps:** CRG is the market leader in residential pumps.

**Marketing and sales initiatives:**

- Go-to-market strategy is on track.
- Availability and distribution of products has been CRG's key focus.
- CRG has been focusing on meaningful consumer initiatives to get its products in stores along with product availability and strategic distribution of products. It organizes dealer meets to ensure that their losses are taken care of.
- Growth has primarily been in the B2C market (30% growth) where CRG focuses on distribution & expansion, quality of merchandising in stores, continued innovation in products and sale of these products at a good value coupled with advertising.

**Stocking:**

- There was a build of inventory post demonetization, which was cleared in June due to GST. Some build up again in July and September post GST.
- However, dealers have been operating on lower inventory levels and may continue to do so.

**Inorganic opportunities:**

- CRG does not want to enter a new product category just for the sake of doing so.
- It is targeting either No.1 or 2 positions in the industry in terms of market share.

**EESL:** Fans and pumps not likely to be focus anymore as the schemes were less successful than expectations, whereas lighting programme was much more successful.

**Table 1: Segmental snapshot (standalone)**

Year to March	Q2FY18	Q2FY17	% change	Q1FY18	H1FY18	H1FY17
<b>Segment revenue (INR mn)</b>						
Lighting & Fixtures	3,378	2,838	19	2,748	6,126	5,329
Electrical Consumer Durables	6,219	5,899	5	8,061	14,280	14,715
<b>Total</b>	<b>9,597</b>	<b>8,737</b>	<b>10</b>	<b>10,809</b>	<b>20,406</b>	<b>20,044</b>
<b>Segment revenue mix (%)</b>						
Lighting & Fixtures	35.2	32.5		25.4	30.0	26.6
Electrical Consumer Durables	64.8	67.5		74.6	70.0	73.4
<b>EBIT (INR mn)</b>						
Lighting & Fixtures	427	291	47	220	647	438
Electrical Consumer Durables	1,110	907	22	1,414	2,524	2,509
<b>Total</b>	<b>1,536</b>	<b>1,198</b>	<b>28</b>	<b>1,634</b>	<b>3,170</b>	<b>2,947</b>
<b>EBIT margin (%)</b>						
Lighting & Fixtures	12.6	10.3		8.0	10.6	8.2
Electrical Consumer Durables	17.8	15.4		17.5	17.7	17.1
<b>EBIT mix (%)</b>						
Lighting & Fixtures	27.8	24.3		13.5	20.4	14.9
Electrical Consumer Durables	72.2	75.7		86.5	79.6	85.1

Source: Edelweiss research

## Financial snapshot

(INR mn)

Year to March	Q2FY18	Q2FY17	% change	Q1FY18	% change	YTD18	FY18E	FY19E
Net revenues	9,597	8,737	9.8	10,555	(9.1)	20,152	44,873	53,328
Direct costs	6,686	6,152	8.7	7,329	(8.8)	14,015	30,738	36,423
Employee expenses	699	488	43.3	686	2.0	1,385	2,756	3,053
Other expenses	1,005	1,086	(7.5)	1,246	(19.4)	2,251	5,744	6,719
EBITDA	1,207	1,012	19.3	1,294	(6.7)	2,501	5,635	7,132
Depreciation	32	27	16.2	32	0.3	63	112	114
EBIT	1,175	984	19.4	1,263	(6.9)	2,438	5,523	7,018
Other income	35	41	(14.7)	97	(63.6)	132	289	458
Interest	157	161	(2.2)	161	(2.7)	318	650	650
Add: Exceptional items		(5)	NA					
Profit before tax	1,054	865	21.8	1,198	(12.0)	2,252	5,161	6,826
Provision for taxes	346	286	20.7	395	(12.5)	741	1,703	2,252
Reported net profit	708	579	22.3	803	(11.8)	1,511	3,458	4,573
Adjusted Profit	708	583	21.4	803	(11.8)	1,511	3,458	4,573
Equity capital(FV INR 5)	1,254	1,254		1,254		2,507	1,254	1,254
No. of shares (mn)	627	627		627		1,254	627	627
Diluted EPS (INR)	1.1	0.9	21.4	1.3	(11.8)	2.4	5.5	7.3
<b>As % of net revenues</b>								
Raw material	69.7	70.4		69.4		139.1	68.5	68.3
Employee cost	7.3	5.6		6.5		13.8	6.1	5.7
Other expenses	10.5	12.4		11.8		22.3	12.8	12.6
EBITDA	12.6	11.6		12.3		24.8	12.6	13.4
Depreciation	0.3	0.3		0.3		0.6	0.2	0.2
EBIT	12.2	11.3		12.0		24.2	12.3	13.2
Interest expenditure	1.6	1.8		1.5		3.2	1.4	1.2
Other income	0.4	0.5		0.9		1.3	0.6	0.9
Reported net profit	7.4	6.7		7.6		15.0	7.7	8.6
Tax rate	32.8	33.1		33.0		65.8	33.0	33.0

## Change in Estimates

	New	FY18E Old	% change	New	FY19E Old	% change	Comments
Net Revenue	44,873	46,724	(4.0)	53,328	55,150	(3.3)	Build in lower re-stocking given management's cautious commentary
EBITDA	5,635	5,842	(3.5)	7,132	7,326	(2.6)	
EBITDA Margin	12.6	12.5		13.4	13.3		
Adjusted Profit	3,458	3,602	(4.0)	4,573	4,714	(3.0)	
After Tax							
Net Profit Margin	7.7	7.7		8.6	8.5		
Capex	225	225	0.0	200	200	0.0	

## Company Description

Crompton was set up in 1878 as REB Crompton to manufacture electrical equipment. Later, it was merged with F&A Parkinson to form Crompton Parkinson. The latter was bought in 1947 by the Thapar family and in 1966 restructured into Crompton Greaves. Crompton was in multiple sectors including electrical goods. In October 2015, the electrical and lighting business was demerged into Crompton Greaves Consumer Electricals. The Thapars sold their stake to 2 private equity firms, Advent International and Temasek Holdings, in 2016. The company broadly has 4 business segments—fans, lightings, pumps and electrical appliances. Crompton is a market leader in the fans and residential pumps segments, with over 25% market share in each.

## Investment Theme

### Higher share of premium offerings, new launches spurring profitability:

Crompton is the leader in fans and residential pumps with 27% and 28% market shares, respectively, wherein it is positioned as a premium products player anchored by a robust distribution network. While FY17 profitability sprung a positive surprise for the Street, we expect the improvement to sustain given the humungous scope to enhance the share of premium products (fans, lighting, appliances, etc). This, we believe, the company will achieve by unwavering focus on product innovation/branding.

### Potential for strong brand leverage :

While the new management has kick started many initiatives to drive value in key segments like fans and lighting, we believe, brand Crompton is yet to be fully leveraged. We perceive significant scope to improve value market share in lighting and agri pumps wherein the company has low market share of ~5%. In lighting, current focus is on cost control, where Crompton has created significant value by improving operating margin. Also, in the pumps segment, leveraging its dominance in residential pumps, Crompton has sharpened focus on agri pumps.

## Key Risks

### Competition

Rising competitive intensity especially from local peers, we believe could be a risk to our growth and profitability estimates.

### Consumer discretionary slow down

Rise in disposable income levels are key driver for consumer discretionary and hence any slowdown in disposable income could post down side risk to Crompton's earnings.

## Financial Statements

### Key Assumptions

Year to March	FY16	FY17	FY18E	FY19E
<b>Macro</b>				
GDP(Y-o-Y %)	7.9	6.6	6.8	7.4
Inflation (Avg)	4.9	4.5	4.0	4.5
Repo rate (exit rate)	6.8	6.3	5.8	5.8
USD/INR (Avg)	65.5	67.1	65.0	66.0
<b>Company</b>				
Lighting	15.0	15.5	15.0	16.3
Pumps	7.0	7.0	10.0	13.5
Fans	9.8	9.8	8.0	13.3
Appliances	3.0	4.2	5.0	10.0
Fans (%)	8.2	12.5	12.5	20.5
Lighting (%)	17.6	0.1	15.3	21.1
Pumps (%)	10.1	15.0	12.7	13.5
Appliances (%)	11.9	32.4	10.5	14.9
Depreciation	1.3	1.1	1.1	1.1
Tax rate (%)	33.3	32.5	33.0	33.0

### Income statement

(INR mn)

Year to March	FY16	FY17	FY18E	FY19E
Income from operations	18,117	39,759	44,873	53,328
Direct costs	12,702	27,349	30,738	36,423
Employee costs	1,005	2,252	2,756	3,053
Other Expenses	2,315	5,257	5,744	6,719
Total operating expenses	16,022	34,857	39,238	46,196
EBITDA	2,095	4,902	5,635	7,132
Depreciation	63	110	112	114
EBIT	2,032	4,792	5,523	7,018
Add: Other income	38.5	195.00	288.58	457.67
Less: Interest Expense	355	655	650	650
Profit Before Tax	1,715	4,331	5,161	6,826
Less: Provision for Tax	525	1,399	1,703	2,252
Net profit	1,190	2,932	3,458	4,573
Extraordinary item	(139)	(25)	-	-
Adjusted Profit	1,190	2,932	3,458	4,573
Shares o /s (mn)	313	627	627	627
Basic EPS (INR)	3.8	4.7	5.5	7.3
Diluted shares o/s (mn)	313	627	627	627
Adj. Diluted EPS (INR)	3.8	4.7	5.5	7.3
Adjusted Cash EPS	4.0	4.9	5.7	7.5
Dividend per share (DPS)	-	1.5	1.7	2.0
Dividend Payout Ratio(%)	-	32.1	31.3	27.2

### Common size metrics

Year to March	FY16	FY17	FY18E	FY19E
Operating expenses	88.4	87.7	87.4	86.6
Staff costs	5.5	5.7	6.1	5.7
S G & A expenses	12.8	13.2	12.8	12.6
Direct Cost	70.1	68.8	68.5	68.3
Depreciation	0.3	0.3	0.2	0.2
Interest Expense	2.0	1.6	1.4	1.2
EBITDA margins	11.6	12.3	12.6	13.4
EBIT margins	11.2	12.1	12.3	13.2
Net Profit margins	6.6	7.4	7.7	8.6

### Growth ratios (%)

Year to March	FY16	FY17	FY18E	FY19E
Revenues	(43.9)	119.5	12.9	18.8
EBITDA	(34.9)	134.0	14.9	26.6
PBT	(46.7)	152.5	19.2	32.2
Adjusted Profit	(45.6)	146.3	17.9	32.2
EPS	9.0	23.0	17.9	32.2

## Crompton Greaves Consumer Electrical

Balance sheet		(INR mn)			
As on 31st March	FY16	FY17	FY18E	FY19E	
Share capital	1,254	1,254	1,254	1,254	
Reserves & Surplus	1,034	4,138	6,515	9,845	
Shareholders' funds	2,287	5,392	7,769	11,098	
Secured loans	5,073	6,500	6,500	6,500	
Unsecured loans	100	-	-	-	
Total Borrowings	5,173	6,500	6,500	6,500	
<b>Sources of funds</b>	<b>7,460</b>	<b>11,892</b>	<b>14,269</b>	<b>17,598</b>	
Gross Block	9,818	9,964	10,189	10,389	
Depreciation	1,238	1,349	1,461	1,575	
Net Block	8,580	8,615	8,728	8,814	
Total Fixed Assets	8,580	8,615	8,728	8,814	
Cash and Equivalents	900	700	2,529	5,701	
Inventories	2,100	2,348	2,639	3,127	
Sundry Debtors	4,165	5,434	6,330	7,522	
Loans & Advances	742	685	981	1,128	
Total current assets	7,007	8,468	9,950	11,777	
Sundry creditors	8,645	8,448	9,494	11,251	
Provisions	425	811	811	811	
Total Current Liab	9,070	9,258	10,305	12,061	
Net current assets	(2,064)	(791)	(356)	(284)	
Net Deferred tax	43	182	182	182	
<b>Uses of funds</b>	<b>7,460</b>	<b>11,892</b>	<b>14,269</b>	<b>17,598</b>	
BVPS (INR)	7.3	8.6	12.4	17.7	

Free cash flow		(INR mn)			
Year to March	FY16	FY17	FY18E	FY19E	
Reported Profit	1,190	2,932	3,458	4,573	
Add: Depreciation	63	110	112	114	
Interest (Net of Tax)	237	442	436	436	
Others	(90)	136	(74)	(243)	
Gross cash flow	1,400	3,621	3,932	4,880	
Less: Changes in WC	(357)	517	435	72	
Operating cash flow	1,757	3,105	3,497	4,808	
Less: Capex	13	148	225	200	
<b>Free Cash Flow</b>	<b>1,744</b>	<b>2,956</b>	<b>3,272</b>	<b>4,608</b>	

Cash flow metrics		FY16	FY17	FY18E	FY19E
Year to March					
Operating cash flow		1,757	3,105	3,497	4,808
Investing cash flow		24	(3,151)	64	258
Financing cash flow		(882)	(1,094)	(1,731)	(1,893)
Net cash Flow		900	(1,140)	1,829	3,172
Capex		(13)	(148)	(225)	(200)
Dividend paid		-	(940)	(1,081)	(1,243)

Profitability and efficiency ratios		FY16	FY17	FY18E	FY19E
Year to March					
ROAE (%)		104.9	76.4	52.6	48.5
ROACE (%)		55.6	51.5	44.4	46.9
Inventory Days		30	30	30	29
Debtors Days		42	44	48	47
Payable Days		125	114	107	104
Cash Conversion Cycle		(52)	(40)	(29)	(28)
Current Ratio		0.8	0.9	1.0	1.0
Debt/EBITDA (x)		2.5	1.3	1.2	0.9
Fixed asset turnover (x)		4.2	4.6	5.2	6.1
Debt/Equity (x)		2.3	1.2	0.8	0.6
Adjusted Debt/Equity		2.3	1.2	0.8	0.6
Interest Coverage Ratio		5.7	7.3	8.5	10.8

Operating ratios		FY16	FY17	FY18E	FY19E
Year to March					
Total Asset Turnover		4.9	4.1	3.4	3.3
Fixed Asset Turnover		4.2	4.6	5.2	6.1
Equity Turnover		16.0	10.4	6.8	5.7

Valuation parameters		FY16	FY17	FY18E	FY19E
Year to March					
Adj. Diluted EPS (INR)		3.8	4.7	5.5	7.3
Y-o-Y growth (%)		9.0	23.0	17.9	32.2
Adjusted Cash EPS (INR)		4.0	4.9	5.7	7.5
Diluted P/E (x)		57.6	46.9	39.7	30.0
P/B (x)		30.0	25.5	17.7	12.4
EV / Sales (x)		4.0	3.6	3.1	2.6
EV / EBITDA (x)		34.8	29.2	25.1	19.4
Dividend Yield (%)		-	0.7	0.8	0.9

### Peer comparison valuation

Name	Market cap (USD mn)	Diluted P/E (X)		P/B (X)		ROAE (%)	
		FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
Crompton Greaves Consumer Electrical	2,112	39.7	30.0	17.7	12.4	52.6	48.5
Bajaj Electricals	600	28.0	21.0	4.0	3.5	15.0	17.6
Havells India	4,636	43.2	32.6	8.2	7.2	20.0	23.6
Median	-	39.7	30.0	8.2	7.2	20.0	23.6
AVERAGE	-	37.0	27.9	10.0	7.7	29.2	29.9

Source: Edelweiss research

## Additional Data

### Directors Data

Mr. Shantanu Khosla	Managing Director	Mr. Mathew Job	Chief Executive Officer
Mr. Sandeep Batra	CFO	Mr. P. M. Murty	Independent Director
Mr. D. Sundaram	Independent Director	Mr. Hemant Madhusudan Nerurkar	Independent Director
Ms. Shweta Jalan	Independent Director	Mr. Promeet Ghosh	Independent Director
Mr. Ravi Narain	Independent Director		

Auditors - Sharp & Tannan Chartered Accountants

### Holding – Top10

	Perc. Holding		Perc. Holding
Amalfiacio limited	22.34	Macritchie invs pte	12.03
Birla sun life asset	6.7	Life insurance corp	4.78
Capital group compan	3.9	Vanguard group	2.99
Nomura	2.66	Goldman sachs group	2.58
Tiaa cref int eq fun	2.18	Franklin resources	1.99

*\*in last one year*

### Bulk Deals

Data	Acquired / Seller	B/S	Qty Traded	Price
17 Mar 2017	Vanguard Funds Public Ltd Company Vanguard Ftse All Wor	Buy	4973627	195.28

*\*in last one year*

### Insider Trades

Reporting Data	Acquired / Seller	B/S	Qty Traded
No Data Available			

*\*in last one year*



Company	Absolute reco	Relative reco	Relative risk	Company	Absolute reco	Relative reco	Relative Risk
Bajaj Electricals	HOLD	SP	M	Crompton Greaves Consumer Electrical	BUY	SO	L
Finolex Cables	BUY	SO	L	Havells India	BUY	SO	L
KEI Industries	BUY	SO	L	Symphony	BUY	SO	L
V Guard Industries	HOLD	SP	L	Voltas	BUY	SO	L
Whirlpool of India	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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Head of Research

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## Coverage group(s) of stocks by primary analyst(s): Consumer Durables

Bajaj Electricals, Crompton Greaves Consumer Electrical, Finolex Cables, Havells India, KEI Industries, Symphony, V Guard Industries, Voltas, Whirlpool of India

### Recent Research

Date	Company	Title	Price (INR)	Recos
17-Oct-27	<b>Whirlpool India</b>	Good quarter amid tough environ; <i>Result Update</i>	1,401	Buy
17-Oct-26	<b>V Guard Industries</b>	Re-stocking spurs revenue beat; <i>Result Update</i>	208	Hold
08-Sep-17	<b>Bajaj Electricals</b>	Change underway; <i>Company Update</i>	340	Hold

### 1Distribution of Ratings / Market Cap

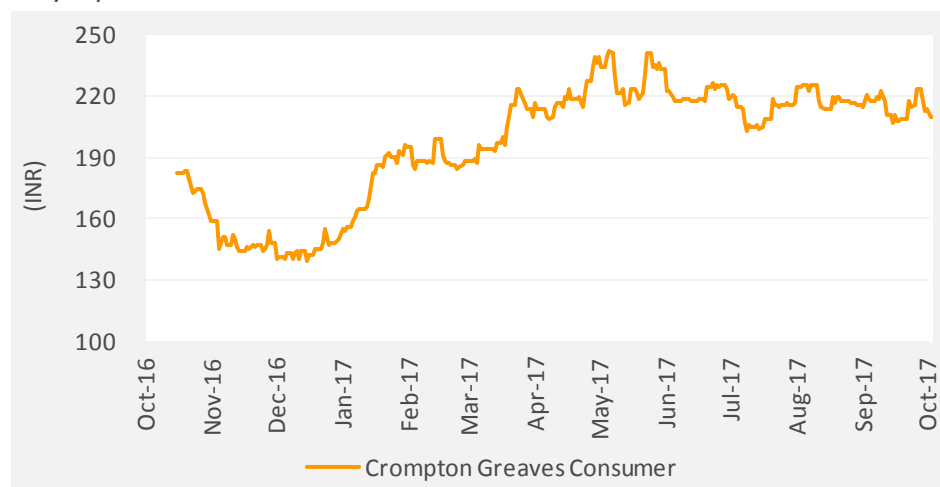
#### Edelweiss Research Coverage Universe

	Buy	Hold	Reduce	Total
Rating Distribution*	161	67	11	229
* 1stocks under review				
	> 50bn	Between 10bn and 50 bn	< 10bn	
Market Cap (INR)	156	62	11	

### Rating Interpretation

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

### One year price chart



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