

HAVELLS INDIA

Favorable base leads to in-line quarter; growth profile intact

India Equity Research | Consumer Durables



Havells (HAVL) posted inline operational performance for Q3FY18 with sales/EBIDTA growth of 31/38% YoY. Key highlights: a) while 26/22% YoY growth for consumer durables/lighting was heartening, 11% YoY growth in switchgears was a pleasant surprise given sustained slow down in housing sector; b) margin ramp up across segments led to the 70bps improvement in EBIDTA margin which was largely due to base effect and to some extent improved product mix (especially higher growth in wires & switches); c) Lloyds' value growth of 16% YoY, which on volume basis seems lower, is likely to pick up in Q4FY18 with onset of season and new labeling norms. With DeMon/GST mostly behind us, Havells is well placed to benefit from medium term tailwinds, viz: 1) shift from unorganised to organised; 2) rising premiumisation; and 3) potential ramp up in Lloyds' profitability. Maintain 'BUY' with TP of INR 640 on FY20E, which is at 18% premium to sector given potential spurt in RoE/RoCE.

Impressive growth in lighting/consumer durable on low base

While Q3FY18 saw several hiccups including slower cable sales (due to postponement in construction cables) and upfront costs in ACs (led by new labeling norms), HAVL did reasonably well in segments like fans and geysers, which led to 26% YoY growth in electrical consumer durables, 22% growth in lighting and much higher growth in B2B professional lighting segment. Going ahead, the company is likely to benefit from uptick in cable revenues and pick up in AC season.

Key value triggers over next 2-3 years

HAVL is trying to re-position the Lloyds portfolio which could propel overall margins. Also, with widest coverage (>75% of total durables/consumer electricals market) and dominant position in most segments, HAVL is best positioned to benefit from industry consolidation and rising premiumisation with significant scope for ramp up in profitability (RoE/RoCE) and FCF growth.

Outlook and valuations: Set for profitable growth; maintain 'BUY'

HAVL is slated to benefit from emerging tailwinds - 'Housing/Power For All', shift to organised players and rising premiumisation. Also, HAVL is best placed to attain scale across businesses with its new SBU structure and focused product-wise branding strategy, among others. At CMP, the stock trades at 31x FY20E EPS. Maintain 'BUY/SO'.

Financials (Standalone)

Year to March	Q3FY18	Q3FY17	% change	Q2FY18	% change	FY17	FY18E	FY19E
Net revenues	19,658	15,060	30.5	17,774	10.6	61,353	79,427	99,766
EBITDA	2,622	1,907	37.5	2,569	2.1	8,241	10,291	13,389
Adj. profit	1,734	1,340	29.4	1,710	1.4	5,969	6,842	8,869
Diluted EPS (INR)	2.8	2.1	29.4	2.7	1.4	9.6	11.0	14.2
Diluted P/E (x)						57.8	50.4	38.9
ROAE (%)						19.2	19.7	22.7

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: HVEL.BO, B: HAVL IN)

CMP	: INR 553
Target Price	: INR 640
52-week range (INR)	: 576 / 396
Share in issue (mn)	: 625.1
M cap (INR bn/USD mn)	: 345 / 4,722
Avg. Daily Vol.BSE/NSE('000)	: 1,394.2

SHARE HOLDING PATTERN (%)

	Current	Q2FY18	Q1FY18
Promoters *	61.6	61.6	61.6
MF's, FI's & BK's	3.5	3.5	3.2
FII's	25.7	25.7	26.3
Others	9.3	9.3	8.9
* Promoters pledged shares (% of share in issue)			NIL

PRICE PERFORMANCE (%)

	Stock	Nifty	EW Capital Goods Index
1 month	0.6	4.4	9.9
3 months	2.0	5.4	14.9
12 months	50.0	28.5	37.8

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Q3FY18 conference call: Key takeaways

Impact of GST and price hikes

- The GST rate cut was positive for the company with most of the products now coming under 18% bracket. Most of the savings were passed on by way of decline in price. Management believes this could help generate additional demand, especially in ECD segment.
- Price hike – One price hike was taken prior to GST, while prices were reduced by 8% post reduction in the GST rate.

Segment-wise performance

• Switchgears

The segment clocked good growth after a long time. The segment had faced slowdown hampered by lower construction demand. However, management expects uptick in business with focus on exports and pickup in construction activity.

• Cables

- Underground cables witnessed slower growth due to slower ordering, drop in construction activity and GST related confusion. However, with the GST rate slashed to 18% (28% earlier) on cables & wires should benefit the business. Though the segment has been reeling under general slowdown, it is expected to end the year on a strong note. Quarterly volatility is also likely. Volume growth in wires was flat and in cables it was negative (low single digit).
- Cables & wires logged higher margins in the previous quarter mainly due to inventory gains whereas higher margins in the current quarter were due to the change in mix (domestic cables – 51% of cables turnover have higher margin whereas underground cables – balance has lower margins). Current margins are more or less sustainable. Last year, amidst a competitive scenario it was difficult to take price hikes and finally Havells took a price increase in Q3FY18 which also contributed to margin expansion.

• Lighting

- LED constitutes 80% of lighting segment.
- B2B lighting may constitute 1/3rd of lighting revenues going forward with professional luminaries and lighting coming under B2B segment.
- EESL constitutes 5% of revenues and shall continue to be in the 5-10% range going forward.
- The company does not focus too much on government orders and wishes to focus on branded and distribution businesses along with B2B focus building (as management sees great opportunity in retrofitting).

• Lloyds

- The company has started sales of Lloyd's products through national consumer durable chains (like Reliance Digital and Croma) and looks at covering all leading chains by next year.
- The AC business is expected to witness uptick over next six months.

- Price increase in AC products has been in the range of 8-10% partly due to raw material impact and partly due to rating change.
- They did see advancement of sales not only in AC's but also in other products.
- As far as new star ratings are concerned, the transition might take time according to management, where until March there will be a mix of old and new stocks and after March it will only be new stock.
- Lloyds' business is expected to see normalised margins entering the upcoming season. Margins were partially hit as dealers were eliminating old stock. In-house manufacturing is likely to help improve margins going forward.

- **Consumer durables**

Segment witnessed slight base impact, but is seeing growth across categories.

- Fans – Focus has been on premium fans in past 1 to 1.5 years which has led to new models being launched (2/3rds of revenues comes from premium fans). Fans constitute ~60% of ECD segment. Overall, the segment has done well owing to new launches and restocking benefits in Q3FY18.
- Water heaters and appliances – Constitutes around 40% of the ECD segment and could be ~50% going ahead with higher growth expected from this segment under ECD. Water purifiers started only in the last week of December 2017. Other appliances (mainly water heaters) constitute large part of the balance 40%.

Other comments

- **Advertisements** – Havells had curtailed ad expenses in the previous quarter while in Q3FY18 ad spend increased to 4% due to the festival season. However, annually it is likely to be in the range of 3.5-3.7% of sales.
- **Distribution expansion** – The company is focused on expanding its distribution channel, mainly on retail side.

Table 1: Segmental snapshot

Year to March	Q3FY18	Q3FY17	% change	9MFY18	9MFY17	% change
Segment revenue (INR mn)						
Switchgear	3,443	3,309	4.0	10,131	10,312	(1.8)
Cable & Wire	6,256	6,092	2.7	18,313	17,013	7.6
Lighting & Fixtures	2,871	2,363	21.5	8,337	7,030	18.6
ECD	4,158	3,296	26.1	10,956	9,895	10.7
Lloyd Consumer Division	2,930	0	NA	8,300	0	NA
Total	19,658	15,060	30.5	56,037	44,250	26.6
Segment revenue mix (%)						
Switchgear	17.5	22.0		18.1	23.3	
Cable & Wire	31.8	40.5		32.7	38.4	
Lighting & Fixtures	14.6	15.7		14.9	15.9	
ECD	21.2	21.9		19.6	22.4	
Lloyd Consumer Division	14.9	0.0		14.8	0.0	
EBIT (INR mn)						
Switchgear	1,380	1,291	6.9	4,050	4,170	(2.9)
Cable & Wire	1,070	869	23.1	3,062	2,381	28.6
Lighting & Fixtures	818	696	17.5	2,358	1,919	22.9
ECD	1,230	809	51.9	2,940	2,543	15.6
Lloyd Consumer Division	480	0	NA	1,401	0	NA
Total	4,977	3,665	35.8	13,810	11,013	25.4
EBIT margin (%)						
Switchgear	40.1	39.0		40.0	40.4	
Cable & Wire	17.1	14.3		16.7	14.0	
Lighting & Fixtures	28.5	29.5		28.3	27.3	
ECD	29.6	24.6		26.8	25.7	
Lloyd Consumer Division	16.4	0.0		16.9	0.0	
Total	25.3	24.3		24.6	24.9	
EBIT mix (%)						
Switchgear	27.7	35.2		29.3	37.9	
Cable & Wire	21.5	23.7		22.2	21.6	
Lighting & Fixtures	16.4	19.0		17.1	17.4	
ECD	24.7	22.1		21.3	23.1	
Lloyd Consumer Division	9.6	0.0		10.1	0.0	

Source: Company, Edelweiss research

Financial snapshot

(INR mn)

Year to March	Q3FY18	Q3FY17	% change	Q2FY18	% change	YTD18	FY18E	FY19E
Net revenues	19,658	15,060	30.5	17,774	10.6	56,037	79,427	99,766
Direct costs	11,863	9,141	29.8	10,251	15.7	34,080	48,363	60,831
Employee expenses	1,625	1,238	31.3	1,617	0.5	4,860	6,505	7,871
Other expenses	3,547	2,773	27.9	3,336	6.3	10,051	14,267	17,676
EBITDA	2,622	1,907	37.5	2,569	2.1	7,046	10,291	13,389
Depreciation	363	301	20.6	349	4.1	1,048	1,434	1,613
EBIT	2,259	1,606	40.6	2,220	1.8	5,998	8,857	11,776
Other income	278	286	(3.0)	287	(3.2)	913	1,102	967
Interest	55	15	258.8	67	(18.3)	156	237	252
Add: Prior period items	210	190	10.7	-		210	210	-
Profit before tax	2,692	2,067	30.2	2,440	10.3	6,964	9,932	12,491
Provision for taxes	748	537	39.3	730	2.5	1,967	2,880	3,622
Reported net profit	1,944	1,530	27.1	1,710	13.7	4,998	7,052	8,869
Adjusted Profit	1,734	1,340	29.4	1,710	1.4	4,788	6,842	8,869
Equity capital(FV INR 5)	624	624		624		624	624	624
No. of shares (mn)	624	624		624		624	624	624
Diluted EPS (INR)	2.8	2.1	29.4	2.7	1.4	5.5	11.0	14.2
As % of net revenues								
Raw material	60.3	60.7		57.7		60.8	60.9	61.0
Employee cost	8.3	8.2		9.1		8.7	8.2	7.9
Other expenses	18.0	18.4		18.8		17.9	18.0	17.7
EBITDA	13.3	12.7		14.5		12.6	13.0	13.4
Depreciation	1.8	2.0		2.0		1.9	1.8	1.6
EBIT	11.5	10.7		12.5		10.7	11.2	11.8
Interest expenditure	0.3	0.1		0.4		0.3	0.3	0.3
Other income	1.4	1.9		1.6		1.6	1.4	1.0
Reported net profit	8.8	8.9		9.6		8.5	8.6	8.9
Tax rate	27.8	26.0		29.9		28.2	29.0	29.0

Change in Estimates

	FY18E			FY19E			Comments
	New	Old	% change	New	Old	% change	
Net Revenue	79,427	86,640	(8.3)	99,766	108,606	(8.1)	Building in lower growth in Switchgears and Cables & Wires segment
EBITDA	10,291	10,834	(5.0)	13,389	13,950	(4.0)	
EBITDA Margin	13.0	12.5		13.4	12.8		
Adjusted Profit After Tax	6,842	6,966	(1.8)	8,869	9,233	(3.9)	
Net Profit Margin	8.9	8.0		8.9	8.5		
Capex	2,000	2,000	0.0	2,000	2,000	0.0	

Company Description

Incorporated in 1983, HAVL is one of the largest and fastest growing manufacturers of electrical components and systems in India. It is the market leader in light-duty power distribution products. Its offerings include electrical products like circuit protection equipment (domestic and industrial switchgears), cables and wires, and consumer durables like fans, CFLs, and lighting fixtures. Havells recently acquired (Feb 2017) the Consumer segment of Lloyd electricals (which the company plans to continue) which would give HAVL access to Lloyds' strong distribution network with 10k touch points along with leadership in room AC segment (12-14% market share)

Investment Theme

We expect Havells to continue to grow its domestic business on the back of strong product portfolio. The company is currently one of the fastest growing fan brands in the Indian market with market share at ~15%. In the switchgear market, HAVL is the market leader in the low voltage segment with ~28% share. In India, the company has a network of ~7,000 distributors spread across the four regions servicing ~100,000 retailers/ touch points. HAVL has been highly successful in bolstering market share of existing products along with launching new products, which have received good response, driven by high brand visibility. Recent buyout of Lloyd brand imparts access to a high growth larger white good market adding USD2-5bn new market.

Key Risks

Slowdown in domestic business; increased competition could put pressure on margin

Slowdown in key consumer segments of construction and industrial capex could impact the domestic business.

Slowdown in power T&D could impact the demand for its cables and wires business.

Slower than expected revenue growth and profitability turnaround in Lloyd's consumer business poses risk to estimates and valuations.

Financial Statements

Key Assumptions

Year to March	FY17	FY18E	FY19E	FY20E
Macro				
GDP(Y-o-Y %)	6.6	6.5	7.1	7.6
Inflation (Avg)	4.5	3.8	4.5	5.0
Repo rate (exit rate)	6.3	6.0	6.0	6.5
USD/INR (Avg)	67.1	64.5	65.0	66.0
Company				
Capex (INR mn)	2,386	2,000	2,000	1,502
Cables & Wires	8.8	4.3	24.1	19.0
Switchgears	10.0	1.7	12.7	12.5
Lighting & Fixtures	10.0	26.7	26.5	24.2
Consumer durables	24.2	15.3	23.5	26.0
Depreciation	6.5	7.3	7.5	7.5
Tax rate (%)	27.5	29.0	29.0	29.0

Income statement

(INR mn)

Year to March	FY17	FY18E	FY19E	FY20E
Income from operations	61,353	79,427	99,766	119,371
Materials costs	36,485	48,363	60,831	72,690
Employee costs	5,004	6,505	7,871	9,190
Other mfg expenses	11,623	14,267	17,676	20,948
Total operating expenses	53,111	69,136	86,378	102,828
EBITDA	8,241	10,291	13,389	16,543
Depreciation	1,196	1,434	1,613	1,724
EBIT	7,045	8,857	11,776	14,819
Add: Other income	1,343	1,102	967	1,276
Less: Interest Expense	122	237	252	252
Add: Exceptional items	(578)	210	-	-
Profit Before Tax	7,688	9,932	12,491	15,843
Less: Provision for Tax	2,298	2,880	3,622	4,594
Reported Profit	5,390	7,052	8,869	11,248
Exceptional Items	(578)	210	-	-
Adjusted Profit	5,969	6,842	8,869	11,248
Shares o/s (mn)	624	624	624	624
Diluted shares o/s (mn)	624	624	624	624
Adjusted Diluted EPS	9.6	11.0	14.2	18.0
Adjusted Cash EPS	11.5	13.3	16.8	20.8
Dividend per share (DPS)	3.5	4.0	5.7	7.2
Dividend Payout Ratio(%)	43.3	43.3	48.0	48.0

Common size metrics

Year to March	FY17	FY18E	FY19E	FY20E
Operating expenses	86.6	87.0	86.6	86.1
EBITDA margins	13.4	13.0	13.4	13.9
Net Profit margins	8.8	8.9	8.9	9.4

Growth ratios (%)

Year to March	FY17	FY18E	FY19E	FY20E
Revenues	14.1	29.5	25.6	19.7
EBITDA	9.2	24.9	30.1	23.6
Adjusted Profit	17.1	14.6	29.6	26.8

Consumer Durables

Balance sheet		(INR mn)			
As on 31st March	FY17	FY18E	FY19E	FY20E	
Share capital	625	625	625	625	
Shareholders' funds	32,736	36,828	41,444	47,297	
Long term borrowings	1,981	1,981	1,981	2,034	
Total Borrowings	1,981	1,981	1,981	2,034	
Long Term Liabilities	137	137	137	137	
Sources of funds	35,990	40,083	44,698	50,605	
Gross Block	17,608	19,608	21,608	23,110	
Net Block	11,917	12,485	12,875	12,656	
Capital work in progress	119	119	119	119	
Intangible Assets	182	179	176	173	
Total Fixed Assets	12,217	12,783	13,171	12,948	
Non current investments	5,471	5,471	5,471	5,471	
Cash and Equivalents	19,375	20,785	24,166	30,380	
Inventories	9,284	10,487	13,454	16,045	
Sundry Debtors	2,285	2,176	2,733	3,270	
Loans & Advances	60	70	83	104	
Other Current Assets	906	639	639	639	
Current Assets (ex cash)	12,536	13,371	16,909	20,058	
Sundry creditors	12,508	11,227	13,917	17,151	
Provisions	1,102	1,102	1,102	1,102	
Total Current Liab	13,610	12,329	15,019	18,253	
Net Curr Assets-ex cash	(1,074)	1,043	1,891	1,806	
Net Deferred tax	1,138	1,138	1,138	1,138	
Uses of funds	35,990	40,083	44,698	50,605	
BVPS (INR)	52.5	59.0	66.4	75.8	

Free cash flow		(INR mn)			
Year to March	FY17	FY18E	FY19E	FY20E	
Reported Profit	5,390	7,052	8,869	11,248	
Add: Depreciation	1,196	1,434	1,613	1,724	
Interest (Net of Tax)	(885)	(614)	(508)	(727)	
Others	754	(251)	(207)	(297)	
Less: Changes in WC	(1,323)	2,116	847	(85)	
Operating cash flow	7,778	5,505	8,919	12,033	
Less: Capex	2,386	2,000	2,000	1,502	
Free Cash Flow	5,392	3,505	6,919	10,531	

Cash flow metrics					
Year to March	FY17	FY18E	FY19E	FY20E	
Operating cash flow	7,778	5,505	8,919	12,033	
Investing cash flow	(2,275)	(898)	(1,033)	(226)	
Financing cash flow	(724)	(3,196)	(4,505)	(5,593)	
Net cash Flow	4,780	1,411	3,380	6,214	
Capex	(2,386)	(2,000)	(2,000)	(1,502)	
Dividend paid	(2,585)	(2,959)	(4,254)	(5,395)	

Profitability and efficiency ratios					
Year to March	FY17	FY18E	FY19E	FY20E	
ROAE (%)	19.2	19.7	22.7	25.4	
ROACE (%)	26.1	27.1	31.0	34.7	
Inventory Days	86	75	72	74	
Debtors Days	11	10	9	9	
Payable Days	110	90	75	78	
Cash Conversion Cycle	(13)	(5)	5	5	
Current Ratio	2.3	2.8	2.7	2.8	
Gross Debt/EBITDA	0.2	0.2	0.1	0.1	
Gross Debt/Equity	0.1	0.1	-	-	
Adjusted Debt/Equity	0.1	0.1	-	-	

Operating ratios					
Year to March	FY17	FY18E	FY19E	FY20E	
Total Asset Turnover	1.8	2.1	2.4	2.5	
Fixed Asset Turnover	5.2	6.5	7.9	9.4	
Equity Turnover	2.0	2.3	2.5	2.7	

Valuation parameters					
Year to March	FY17	FY18E	FY19E	FY20E	
Adj. Diluted EPS (INR)	9.6	11.0	14.2	18.0	
Y-o-Y growth (%)	17.1	14.6	29.6	26.8	
Adjusted Cash EPS (INR)	11.5	13.3	16.8	20.8	
Diluted P/E (x)	57.8	50.4	38.9	30.6	
P/B (x)	10.5	9.4	8.3	7.3	
EV / Sales (x)	5.3	4.1	3.2	2.7	
EV / EBITDA (x)	39.7	31.7	24.1	19.1	

Peer comparison valuation

Name	Market cap (USD mn)	Diluted P/E (X)		P/B (X)		ROAE (%)	
		FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
Havells India	4722	50.4	38.9	9.4	8.3	19.7	22.7
Bajaj Electricals	832	39.5	28.0	5.4	4.7	14.5	18.0
Voltas	3238	33.7	29.1	5.5	4.8	17.3	17.5
Median		39.5	29.1	5.5	4.8	17.3	18.0
AVERAGE		41.2	32.0	6.8	5.9	17.1	19.4

Source: Edelweiss research

Additional Data

Directors Data

Rajesh Gupta	Whole-Time Director Finance and Group CFO	Puneet Bhatia	Non-Independent & Non-Executive Director
Surjit Gupta	Non-Independent & Non-Executive Director	S B Mathur	Independent Non-Executive Director
S K Tuteja	Independent Non-Executive Director	V K Chopra	Independent Non-Executive Director
AP Gandhi	Independent Non-Executive Director	Adarsh Kishore	Independent Non-Executive Director
Anil Gupta	Chairman & Managing Director	Pratima Ram	Independent Non-Executive Director
Ameet Kumar Gupta	Whole Time Director	T.V.Mohandas Pai	Non-Independent & Non-Executive Director

Auditors - S.R.Batliboi & Co. LLP

**as per last annual report*

Holding – Top10

	Perc. Holding		Perc. Holding
Org enterprises ltd	30.37	Org investments	11
Gupta vinod	6.31	Nalanda india equity	5.29
Gupta surjit	5.22	Gupta anil rai	4.9
Norges bank	2.91	Government pension f	2.79
Capital group compan	2.57	Gupta qimat rai	2.17

**in last one year*

Bulk Deals

Data	Acquired / Seller	B/S	Qty Traded	Price
29 Mar 2017	Guptajee & Company	Sell	18862400	450.00
29 Mar 2017	Arg Family Trust	Buy	18862400	450.00

**in last one year*

Insider Trades

Reporting Data	Acquired / Seller	B/S	Qty Traded
29 Mar 2017	Anil Rai Gupta as Managing Trustee of ARG Family Trust	Buy	18862400.00
29 Mar 2017	Vinod Gupta on behalf of Guptajee & Co.	Sell	13320000.00
29 Mar 2017	Anil Rai Gupta on behalf of Guptajee & Co.	Sell	5542400.00

**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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Ideas create, values protect



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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
19-Jan-18	Consumer Durables	Will energy efficiency norms assail profitability?; <i>Sector Update</i>		
13-Dec-17	Havells India	Garnering growth arsenal; <i>Visit Note</i>	546	Buy
27-Nov-17	Whirlpool India	Management sets a bullish tone; <i>Company Update</i>	1521	Buy

Distribution of Ratings / Market Cap

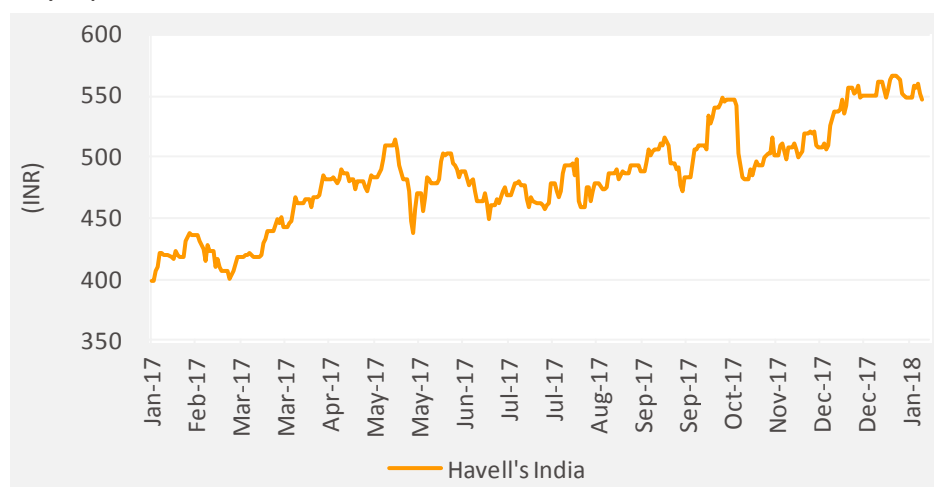
Edelweiss Research Coverage Universe

	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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