

VOLTAS

Poor season plays spoilsport; growth profile intact

India Equity Research | Consumer Durables

A weak season coupled with pre-buying in Q3FY18 impacted industry growth in Q4FY18, leading to sharp 15% revenue miss for Voltas. Nonetheless, OPMs improved across cooling & projects segment which is commendable. Even as we trim FY19/20E earnings by 5/4% building in poor FY18 season, we expect Voltas to maintain its competitive edge with focus on right segments & strong distribution franchise, which is well set to complement its new initiative (white goods) and expand its target market. Maintain 'BUY' with a revised SoTP-based TP of INR685 (INR745 earlier), given impressive 36/20% FCF/earnings CAGR over FY18-20E.

P/L miss on weaker AC sales; OPM commendable

The >INR2.5-35bn miss in AC sales largely led by Q3FY18 restocking and weak season, which impacted the company's ability to take price hikes despite new labeling norms. As a result, Q4FY18 revenue missed our estimate by a sharp 15%. However, Voltas improved margins in cooling by 60bps. The company also continues to attain stability in its projects business, which saw healthy 200bps YoY improvement in margin.

Inverter ACs gaining momentum; maintaining the balance act

Voltas is a prominent player in energy-efficient inverter ACs – customers' popular choice and accounts for ~40% of overall room AC market. While most players are focusing on this segment, the company continues to lay emphasis on both fixed speed and inverter ACs given the significant price gap of >INR3,500. We believe Voltas is well on track to bridge the gap with MNC peers in inverter ACs, which comprise 20% of its room AC sales (17% last year).

Key triggers/value drivers over next 12-24 months

Given the adverse seasonal impact, next two months are crucial for cooling products. Roll out of white goods range and branding/marketing remain vital for Voltas over next two years, as it competes with the MNCs drawing on its robust distribution franchise.

Outlook and valuations: Expanding horizon; maintain 'BUY/SO'

While Voltas sustains competitive edge in the value segment of room ACs, we see high potential in its new white goods segment, which adds substantially to its target market, offering immense value to long-term share holders. At CMP, the stock trades at 28/24x FY19/20E EPS. Maintain 'BUY/SO'.

Financials (Consolidated)		(INR mn)						
Year to March	Q4FY18	Q4FY17	% change	Q3FY18	% change	FY18	FY19E	FY20E
Net revenues	20,484	20,351	0.7	13,747	49.0	64,044	73,897	84,632
EBITDA	2,532	2,212	14.5	1,186	113.4	6,626	7,905	9,521
Adj. net profit	1,940	1,989	(2.4)	995	95.1	5,718	6,873	8,199
Dil. EPS (INR)	5.9	6.0	0.0	3.0	0.0	17.3	20.8	24.8
Diluted P/E (x)						33.7	28.1	23.5
ROAE (%)						15.9	16.5	17.3

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: VOLT.BO, B: VOLT IN)

CMP	: INR 583
Target Price	: INR 685
52-week range (INR)	: 675 / 403
Share in issue (mn)	: 330.9
M cap (INR bn/USD mn)	: 193 / 2,888
Avg. Daily Vol.BSE/NSE('000)	: 1,557.2

SHARE HOLDING PATTERN (%)

	Current	Q3FY18	Q2FY18
Promoters *	30.3	30.3	30.3
MF's, FI's & BK's	29.1	29.1	28.6
FII's	20.0	20.0	20.1
Others	20.7	20.7	21.0
* Promoters pledged shares (% of share in issue)	:	NIL	

PRICE PERFORMANCE (%)

	Stock	Nifty	EW Capital Goods Index
1 month	(8.5)	1.3	(0.9)
3 months	(0.2)	2.2	(0.9)
12 months	35.6	12.1	5.2

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Q4FY18 con-call highlights

UCP segment –

- **ACs**
 - **Voltas recorded 14.5% growth in secondary market, while the market recorded 11% growth leading to market share of 22.1%**
 - Witnessed impact of pre-buying in Q3FY18 because of the anticipated change in the energy efficiency norms.
 - **Revenues were lower by INR2.5-3bn for FY18.**
 - **Primary sales growth stood at 6-7% vs. market growth of 5.2%.**
 - Largest market for ACs is North India. Also, with 1.5 months still left in the summer season, management believes outlook is difficult to judge. However, this far Q1FY19 has been sluggish.
 - **20% of sales were derived from inverter ACs in FY18, most of which were sold in Q4FY18 (30% of quarter sales).** Industry is inching towards ~40% share of inverter ACs. Thus, the company plans to sell higher number of inverter ACs in FY19, but fixed speed ACs are still in demand given that the price difference between the two categories is around INR3,500-4,000.
 - Competitive intensity is high in both inverter and fixed speed ACs with most competitors having offerings in both segments.
 - Q1FY18 had the impact of demonetisation and GST as dealers did not pick up the stock, which is usually the case every summer in Q1. Voltas also failed to get the due input tax credits owing to GST in Q2FY18.
 - The company did not take price hikes per se and just made adjustments for the impact of commodity prices and change in energy efficiency norms.
- **Coolers grew 38% driven by higher penetration, expanded product range and competitive pricing.**
- **Volt Beko joint venture–**
 - **The products of Volt-Beko are scheduled to be launched in H2CY18. The company is also setting up a factory in Gujarat for the manufacture of products which will be imported initially.**
 - Advertising for Volt-Beko shall commence when the company starts launching the products.
 - **Total initial investment into the JV of USD100mn will be shared equally by the two partners.**
- **Margins**
 - **Sustain margins are usually in the range of 11-12%. Higher margins at 14% during the quarter were due to benefits in procurement, distribution and marketing spend, etc.**
 - The company needs to balance margins, by employing cost efficient strategies post which it will have to take price hikes to protect the margins.

EMP segment

- Total order book stood at INR51bn, grew 17%.
- The strong results indicate better quality orders and effective execution in domestic and international businesses, which were impacted earlier due to the company's legacy projects which have now been cleared.
- Management expects minimum 8% returns from segment.
- The company has bagged orders for the development of Expo 2020.
- Subsidiary RIEL has turned profitable and a number of projects have been awarded in rural electrification.
- Management is seeing traction in Metro projects with order awards for Kolkata and Mumbai Metros awaited.
- Projects business has market share of 6-7%

Engineering segment

- Impact of demonetisation and GST implementation has been severe on the domestic textile industry, leading to further slowdown in new capacity formation.

Other comments

- Cash utilisation
 - Investment in Volt Beko JV
 - Buying land in Gujarat to set up the factory
- Ad- expense of INR0.7bn for the year

Table 1: SoTP valuation

(INR mn)	FY19E			FY20E			Valuation			FY20 TP (INR)
	Revenue	PAT	EPS	Revenue	PAT	EPS	Methodolgy	Multiple	Comment	
EMP Segment	33,984	2,000	6.0	39,107	2,536	7.7	P/E	14	40% discount to S&P BSE Capital Goods Index	107
Engineering Segment	3,402	764	2.3	3,674	860	2.6	P/E	14	40% discount to S&P BSE Capital Goods Index	36
Unitary Cooling Segment	36,142	4,110	12.4	41,429	4,805	14.5	P/E	37	Market leader in 15-20% CAGR industry.	541
Total	73,529	6,874	20.8	84,211	8,200	24.8				685

Source: Edelweiss research

Consumer Durables

Table 2: Segmental snapshot

Year to March	Q4FY18	Q4FY17	% change	Q3FY18	% change	FY18	FY17	% change
Revenue (INR mn)								
Electro mechanical projects (EMPS)	8,735	8,290	5.4	7,534	16.0	28,452	26,550	7.2
Engineering products & services (EPS)	834	1,068	(21.9)	695	20.0	3,099	3,318	(6.6)
Unitary cooling products (UCP)	10,645	10,860	(2.0)	5,422	96.3	32,261	30,469	5.9
Others	1	(3)	(142.1)	1.1	26.4	9.5	9.2	3.3
Total revenue	20,216	20,215	0.0	13,652	48.1	63,822	60,346	5.8
Segment revenue mix (%)								
Electro mechanical projects (EMPS)	43.2	41.0		55.2		208.4	194.5	
Engineering products & services (EPS)	4.1	5.3		5.1		22.7	24.3	
Unitary cooling products (UCP)	52.7	53.7		39.7		236.3	223.2	
EBIT (INR mn)								
Electro mechanical projects (EMPS)	665	477	39.5	534	24.5	1,854	849	118.3
Engineering products & services (EPS)	249	259	(3.8)	211	18.1	992	956	3.8
Unitary cooling products (UCP)	1,830	1,781	2.8	705	159.8	4,749	4,403	7.9
Others	43	58	(24.8)	19	129.6	119	160	(25.7)
Total EBIT	2,788	2,574	8.3	1,468	89.9	7,714	6,368	21.1
EBIT margin (%)								
Electro mechanical projects (EMPS)	7.6	5.7	1.9	7.1		6.5	3.2	
Engineering products & services (EPS)	29.8	24.2	5.6	30.3		32.0	28.8	
Unitary cooling products (UCP)	17.2	16.4	0.8	13.0		14.7	14.5	
Others								
EBIT mix (%)								
Electro mechanical projects (EMPS)	23.8	18.5		36.4		126.3	57.8	
Engineering products & services (EPS)	8.9	10.1		14.4		67.6	65.1	
Unitary cooling products (UCP)	65.7	69.2		48.0		323.5	299.9	
Others	1.6	2.2		1.3		8.1	10.9	

Source: Company, Edelweiss research

Financial snapshot

(INR mn)

Year to March	Q4FY18	Q4FY17	% change	Q3FY18	% change	FY18	FY19E	FY20E
Net revenues	20,484	20,351	0.7	13,747	49.0	64,044	73,897	84,632
Staff costs	1,434	1,485	(3.4)	1,503	(4.6)	5,867	6,654	7,405
Direct costs	15,011	14,852	1.1	9,675	55.2	45,675	52,647	60,126
Other expenses	1,507	1,803	(16.4)	1,383	8.9	5,875	6,691	7,579
Total expenditure	17,952	18,139	(1.0)	12,561	42.9	57,417	65,991	75,111
EBITDA	2,532	2,212	14.5	1,186	113.4	6,626	7,905	9,521
Depreciation	61	56	8.0	61	0.0	244	274	299
EBIT	2,471	2,156	14.6	1,125	119.6	6,383	7,631	9,222
Interest	43	58	(24.8)	19	129.6	119	124	144
Other income	438	394	11.3	170	157.0	1,741	2,051	2,312
Add: Exceptional items	(14)	2	NA	-	-	6	-	-
Profit before tax	2,852	2,493	14.4	1,277	123.3	8,011	9,558	11,390
Tax	900	496	81.5	301	198.7	2,270	2,676	3,189
Minority interest	15	14	10.0	10	60.4	55	69	82
Associate profit share	(10)	7	NA	29	NA	38	60	80
Reported net profit	1,927	1,991	(3.2)	995	93.7	5,724	6,873	8,199
Adjusted Profit	1,940	1,989	(2.4)	995	95.1	5,718	6,873	8,199
Equity capital(FV INR 1)	331	331		331		331	331	331
Diluted shares (mn)	331	331		331		331	331	331
Adjusted Diluted EPS	5.9	6.0	(2.4)	3.0	95.1	17.3	20.8	24.8
As % of net revenues								
Direct costs	73.3	73.0		70.4		71.3	71.2	71.0
Employee cost	7.0	7.3		10.9		9.2	9.0	8.8
Other operating expenses	7.4	8.9		10.1		9.2	9.1	9.0
EBITDA	12.4	10.9		8.6		10.3	10.7	11.2
Adjusted net profit	9.5	9.8		7.2		8.9	9.3	9.7
Tax rate	31.6	19.9		23.6		28.3	28.0	28.0

Change in Estimates

	FY19E			FY20E			Comments
	New	Old	% change	New	Old	% change	
Net Revenue	73,896	78,565	(5.9)	84,632	89,821	(5.8)	
EBITDA	7,905	8,486	(6.8)	9,521	10,121	(5.9)	
EBITDA Margin	10.7	10.8		11.2	11.3		
Adjusted Profit	6,873	7,270	(5.5)	8,199	8,570	(4.3)	Building in poor FY18 season
After Tax							
Net Profit Margin	9.4	9.3		9.8	9.6		
Capex	535	526	1.7	526	526	0.0	

Company Description

Voltas Limited, part of the TATA group which holds 30.3% stake, is a leading air conditioning and engineering services provider. Founded in 1954, It offers engineering solutions through its three business segments in areas such as heating, ventilation and air conditioning, refrigeration, climate control, electromechanical projects, textile machinery, machine tools, mining and construction, material handling, water management, building management systems, pollution control and chemicals. Voltas has a higher market share of ~21% in the residential AC market. Voltas has one of the highest distribution touch-points (over 11,000 touch-points/7000 dealers), which can compare well with lots of mid-size local FMCG companies. Unitary Cooling Product and Engineering& Mechanical Project Segment contribute to ~90% topline of the company, while the former contributes more than 60% of the profits of the company.

Investment Theme

Low cost power availability driving up AC sales: A new phenomenon as India increases rural penetration for electricity. What would buy other than cement/fans/ac companies?

Low Penetration of ACs gives us comfort on long term sales growth: AC penetration in India stands at <5% vs ~25% in China and ~50% in Korea. Various industry participants indicate that AC sales should see a strong 10-15% growth for the next 3-5 years, given the current low penetration levels.

Company's unique positioning through distribution/marketing ensuring that they capture a lot of incremental first time sales in the country.

We estimate an EPS CAGR of 19% over FY17-20 assuming average 18% AC revenue growth in line with average of past eight years. EPS for AC division is estimated at 15% CAGR over FY17-20. We see a bigger growth story now with Voltas's entry into USD5-7bn white goods market, which is growing at 15% CAGR.

Key Risks

Any slowdown in capex spending in West Asia and in economic activity with respect to infrastructure creation in India will dry up EMPS division's incremental order intake.

Further, margins and lead time for delivery in the EMPS segment can come under pressure with local players strengthening their operations and the entry of new global players.

De-rating following a slowdown in AC demand: As per the trading bands the stock is currently trading at upper quartile of last twenty year trading band. if AC sales were to slow down to less than 5%, the AC business starts getting a multiple closer to 20x, resulting in 12-15% downside in the stock.

Any major slowdown in consumer discretionary spend might affect the white goods market.

Financial Statements

Key Assumptions

Year to March	FY17	FY18	FY19E	FY20E
Macro				
GDP(Y-o-Y %)	6.6	6.5	7.1	7.6
Inflation (Avg)	4.5	3.6	4.5	5.0
Repo rate (exit rate)	6.3	6.0	6.0	6.5
USD/INR (Avg)	67.1	64.5	66.0	66.0
Company				
EMP revenue growth (%)	(6.1)	7.2	19.1	15.1
Eng. rev growth (%)	(10.4)	(6.6)	9.8	8.0
Unitary Cooling product	18.6	6.1	12.4	14.6
Room AC (Qnty)	1,093,176	1,120,505	1,210,146	1,331,160
NSR (INR)	21,686	22,293	23,296	24,461
Order inflow (INR bn)	27.9	36.5	38.4	40.3
Capex (INR mn)	257	261	535	526
Dep. (% gross block)	4.7	4.5	4.5	4.5
Tax rate (%)	27.1	28.3	28.0	28.0

Income statement

(INR mn)

Year to March	FY17	FY18	FY19E	FY20E
Income from operations	60,328	64,044	73,897	84,632
Direct costs	42,359	45,675	52,647	60,126
Employee costs	6,184	5,867	6,654	7,405
Other Expenses	6,116	5,875	6,691	7,579
Total operating expenses	54,659	57,417	65,991	75,111
EBITDA	5,669	6,626	7,905	9,521
Depreciation	245	244	274	299
EBIT	5,424	6,383	7,631	9,222
Less: Interest Expense	160	119	124	144
Add: Other income	2,120	1,741	2,051	2,316
Profit Before Tax	7,395	8,011	9,558	11,390
Less: Provision for Tax	2,004	2,270	2,676	3,189
Less: Minority Interest	24	55	69	82
Add: Exceptional items	11	6	-	-
Associate profit share	(193)	38	60	80
Reported Profit	5,174	5,724	6,873	8,199
Exceptional Items	11	6	-	-
Adjusted Profit	5,163	5,718	6,873	8,199
Shares o/s (mn)	331	331	331	331
Adjusted Basic EPS	15.6	17.3	20.8	24.8
Diluted shares o/s (mn)	331	331	331	331
Adjusted Diluted EPS	15.6	17.3	20.8	24.8
Adjusted Cash EPS	16.4	18.0	21.6	25.7
Dividend per share (DPS)	3.5	4.0	4.0	4.8
Dividend Payout Ratio(%)	22.4	23.1	23.1	23.1

Common size metrics

Year to March	FY17	FY18	FY19E	FY20E
Operating expenses	90.6	89.7	89.3	88.8
EBITDA margins	9.4	10.3	10.7	11.2
Net Profit margins	8.6	9.0	9.4	9.8

Growth ratios (%)

Year to March	FY17	FY18	FY19E	FY20E
Revenues	5.5	6.2	15.4	14.5
EBITDA	30.9	16.9	19.3	20.4
Adjusted Profit	44.2	10.7	20.2	19.3

Consumer Durables

Balance sheet		(INR mn)			
As on 31st March	FY17	FY18	FY19E	FY20E	
Share capital	331	331	331	331	
Reserves & Surplus	32,735	38,721	43,946	50,170	
Shareholders' funds	33,066	39,052	44,276	50,500	
Minority Interest	285	317	386	468	
Secured loans	1,709	1,423	1,673	1,923	
Total Borrowings	1,709	1,423	1,673	1,923	
Long Term Liabilities	916	883	883	883	
Def. Tax Liability (net)	(198)	(46)	(46)	(46)	
Sources of funds	35,780	41,629	47,172	53,728	
Gross Block	4,348	4,524	5,024	5,524	
Net Block	1,728	1,705	1,979	2,230	
Capital work in progress	6	41	50	50	
Intangible Assets	815	820	797	773	
Total Fixed Assets	2,548	2,565	2,826	3,054	
Non current investments	21,140	23,107	24,607	24,607	
Cash and Equivalents	5,310	7,713	10,207	16,388	
Inventories	9,070	8,130	9,371	10,702	
Sundry Debtors	14,541	15,703	18,163	20,802	
Loans & Advances	35	48	58	64	
Other Current Assets	11,847	15,652	16,435	17,256	
Current Assets (ex cash)	35,493	39,533	44,027	48,824	
Trade payable	26,941	29,433	32,453	36,899	
Other Current Liab	1,770	1,855	2,041	2,245	
Total Current Liab	28,711	31,289	34,494	39,144	
Net Curr Assets-ex cash	6,782	8,244	9,532	9,680	
Uses of funds	35,780	41,629	47,172	53,728	
BVPS (INR)	100.0	118.1	133.9	152.7	

Free cash flow		(INR mn)			
Year to March	FY17	FY18	FY19E	FY20E	
Reported Profit	5,174	5,724	6,873	8,199	
Add: Depreciation	245	244	274	299	
Interest (Net of Tax)	117	85	89	104	
Others	(1,754)	(68)	(80)	(102)	
Less: Changes in WC	(500)	1,462	1,288	147	
Operating cash flow	4,281	4,522	5,868	8,352	
Less: Capex	257	261	535	526	
Free Cash Flow	4,024	4,262	5,333	7,826	

Peer comparison valuation

Name	Market cap (USD mn)	Diluted P/E (X)		P/B (X)		ROAE (%)	
		FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Voltas	2,888	28.1	23.5	4.4	3.8	16.5	17.3
Havells India	5,039	38.2	30.8	8.0	7.1	22.2	24.4
Median	-	33.1	27.2	6.2	5.4	19.4	20.8
AVERAGE	-	33.1	27.2	6.2	5.4	19.4	20.8

Source: Edelweiss research

Cash flow metrics					
Year to March	FY17	FY18	FY19E	FY20E	
Operating cash flow	4,281	4,522	5,868	8,352	
Financing cash flow	(2,110)	(1,609)	(1,338)	(1,645)	
Investing cash flow	(738)	(2,227)	(2,035)	(526)	
Net cash Flow	1,433	685	2,494	6,181	
Capex	(257)	(261)	(535)	(526)	
Dividend paid	(939)	(1,323)	(1,588)	(1,895)	

Profitability and efficiency ratios

Year to March	FY17	FY18	FY19E	FY20E
ROACE (%)	22.8	21.4	22.2	23.2
ROAE (%)	16.8	15.9	16.5	17.3
Inventory Days	70	69	61	61
Debtors Days	85	86	84	84
Payable Days	223	225	215	211
Cash Conversion Cycle	(67)	(70)	(70)	(66)
Current Ratio	1.4	1.5	1.6	1.7
Debt/EBITDA (x)	0.3	0.2	0.2	0.2
Fixed asset turnover (x)	22.8	25.3	27.9	29.3
Gross Debt/Equity	0.1	-	-	-
Adjusted Debt/Equity	0.1	-	-	-
Interest Coverage Ratio	33.8	53.6	61.6	64.1

Operating ratios

Year to March	FY17	FY18	FY19E	FY20E
Total Asset Turnover	1.8	1.7	1.7	1.7
Fixed Asset Turnover	22.8	25.3	27.9	29.3
Equity Turnover	2.0	1.8	1.8	1.8

Valuation parameters

Year to March	FY17	FY18	FY19E	FY20E
Adj. Diluted EPS (INR)	15.6	17.3	20.8	24.8
Y-o-Y growth (%)	44.2	10.7	20.2	19.3
Diluted P/E (x)	37.4	33.7	28.1	23.5
P/B (x)	5.8	4.9	4.4	3.8
EV / Sales (x)	3.3	3.1	2.6	2.1
EV / EBITDA (x)	33.4	28.2	23.4	18.8
Dividend Yield (%)	0.6	0.7	0.7	0.8

Additional Data

Directors Data

Ishaat Hussain	Chairman	Pradeep Bakshi	Managing Director &CEO
N N Tata	Non Independent & Non Executive Director	Vinayak Deshpande	Non Independent & Non Executive Director
J S Bilimoria	Independent Non-Executive Director	R N Mukhija	Independent Non-Executive Director
S N Menon	Independent Non-Executive Director	Nani Javeri	Independent Non-Executive Director
Nasser Munjee	Independent Non-Executive Director	Anil George	Deputy Managing Director

Auditors - Deloitte Haskins & Sells

**as per last annual report*

Holding – Top10

	Perc. Holding		Perc. Holding
Tata sons ltd	26.64	Franklin resources	10.83
Life insurance corp	7.8	Hdfc asset managemen	5.39
Franklin templeton i	3.41	Tata investment corp	3.01
Sbi funds management	1.98	Aditya birla sun lif	1.92
Idfc mutual fund	1.53	Prazim trading and i	1.51

**in last one year*

Bulk Deals

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

**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	HOLD	SP	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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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
16-May-18	Crompton Greaves	Regaining lost ground; bottom-line focus fruitful; <i>Result Update</i>	230	Buy
11-May-18	Havells India	Core thriving; bigger transition in Lloyd anticipated; <i>Result Update</i>	548	Buy
09-May-18	Whirlpool India	In-line quarter; riding on new product launches; <i>Result Update</i>	1533	Buy

Distribution of Ratings / Market Cap

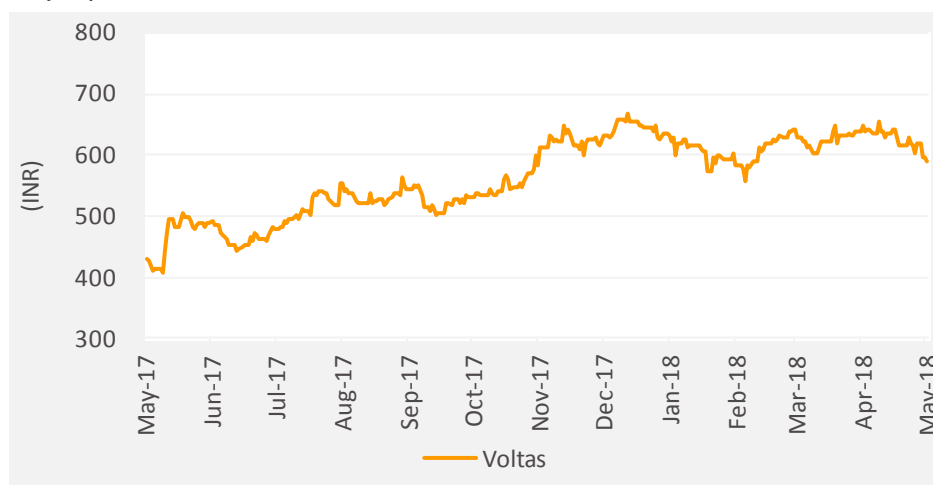
Edelweiss Research Coverage Universe

	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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