

# ABB India | SELL

## Improving financials, but outgo to group rises 4x in 10 years

We read ABB India's CY17 annual report and the key takeaways are as follows: a) healthy free cash flow generation continued as FCF yield stood at 1.5%, led by improvement in the NWC cycle, b) gross margins scaled up to 10-year highs, but a 4x jump in outgo to parent/group entities from 1.9% to 7.7% of sales has led to moderate growth in EBITDA/PAT (6%/12% in CY17 and -0.6%/-2.3% CAGR over the last 10 years), c) management indicates an improved outlook due to increased opportunities in transportation (railway modernisation and EV charging infra), energy efficiency, service income, renewables (although margins may be suppressed) and exports, d) return ratios were flat, but cash position improves due to lower NWC and e) contingent liabilities jump 43% YoY to 10% of sales and 23% of capital employed. The stock trades at expensive valuations of 51x CY18E and 41x CY19E EPS. We maintain our SELL rating with a TP of INR 1,100, based on 35x CY19E EPS of INR 31.6, as we forecast 11%/21% CAGR in sales/earnings over CY17-19E.

- **Free cash flow generation continues to improve:** Aided by healthy net margin expansion (led by a decline in interest costs and lower tax rate) and reduction in NWC requirements (-12 days), free cash flow generation increased to INR 4.0bn (1.5% FCF yield). Since the improvement was driven by an advance against the mega HVDC order and increase in payable days, we believe the improvement is unlikely to sustain.
- **Gross margins at 10-year highs, but higher outgo to group entities restrict margin expansion:** Favourable sales mix and lower commodity prices helped gross margins scale up to 10-year high of 35.2% in CY17. However, outgo to parent and group entities has jumped 4x in the last 10 years, from 1.9% to 7.7% of net sales, in the form of royalty, trademark fees, IT expenses and management charges. As a result, EBITDA grew 6% in CY17 and was flat over the last 10 years, restricting margin expansion.
- **New opportunities emerging in transportation, renewables and energy efficiency to drive growth:** Management presented a positive outlook as it foresees new opportunities from the areas of transportation (modernisation of railways and EV charging stations), energy efficiency, service income (opex led growth), renewables (although lower solar tariffs may restrict margins) and exports.
- **Return ratios were flat although cash position jumps:** Return ratios were flat at 12% in CY17 even as net margins improved (assisted by lower interest/tax outgo) as higher cash balance hurt asset turns. A higher payout to investors in the form of dividends or buybacks can improve return ratios, even as the NWC cycle normalises.
- **Maintain SELL with TP of INR1,100:** Given a healthy order book position and execution of the mega HVDC order, we forecast sales/earnings CAGR of 11%/21% over CY17-19E. However, the stock trades at expensive valuations of 51x CY18E and 41x CY19E and we maintain our SELL rating with a TP of INR 1,100 as we value the stock at 35x CY19E EPS. Key risks to our call are sharp increase in order inflows (JMFe: 15% CAGR over CY17-19E).



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### Recommendation and Price Target

Current Reco.	SELL
Previous Reco.	SELL
Current Price Target (12M)	1,100
Upside/(Downside)	-14.5%
Previous Price Target	1,000
Change	10.0%

### Key Data – ABB IN

Current Market Price	INR1,286
Market cap (bn)	INR272.5/US\$4.1
Free Float	15%
Shares in issue (mn)	211.9
Diluted share (mn)	211.9
3-mon avg daily val (mn)	INR126.5/US\$1.9
52-week range	1,749/1,175
Sensex/Nifty	34,915/10,618
INR/US\$	66.9

### Price Performance

%	1M	6M	12M
Absolute	1.2	-7.0	-9.5
Relative*	-4.3	-10.2	-21.9

\* To the BSE Sensex

JM Financial Research is also available on:  
Bloomberg - JMFR <GO>,  
Thomson Publisher & Reuters  
S&P Capital IQ and FactSet

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

### Financial Summary

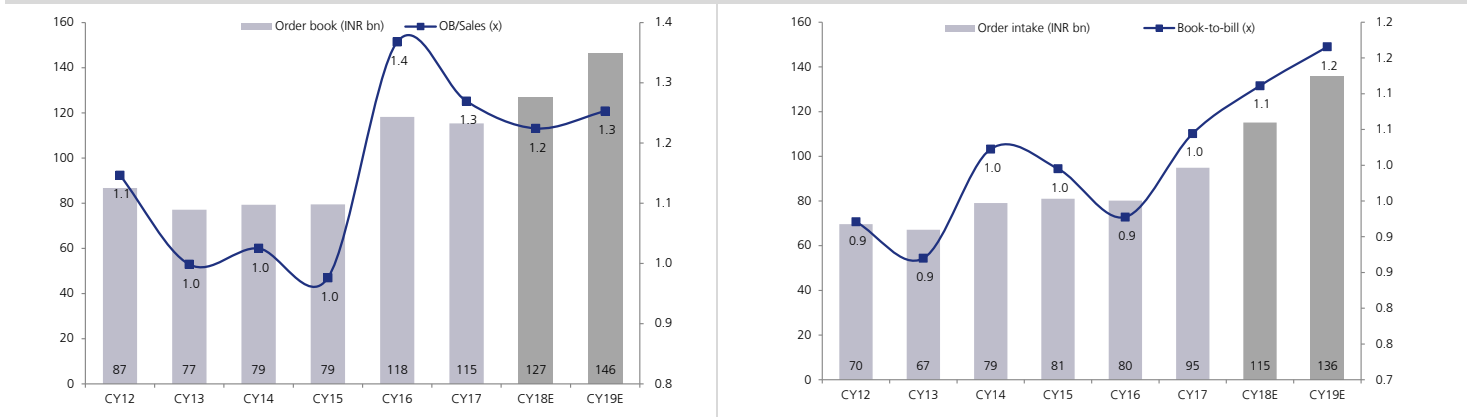
Y/E March	CY15A	CY16A	CY17A	CY18E	CY19E
Net Sales	81,403	86,422	90,873	1,03,628	1,16,676
Sales Growth	5.3%	6.2%	5.2%	14.0%	12.6%
EBITDA	7,125	6,945	7,361	8,922	10,680
EBITDA Margin	8.8%	8.0%	8.1%	8.6%	9.2%
Adjusted Net Profit	2,999	3,745	4,200	5,372	6,688
Diluted EPS (INR)	14.2	17.7	19.8	25.4	31.6
Diluted EPS Growth	31.2%	24.9%	12.1%	27.9%	24.5%
ROIC	11.7%	12.4%	15.2%	18.5%	20.6%
ROE	10.3%	11.9%	12.2%	14.1%	15.5%
P/E (x)	90.9	72.8	64.9	50.7	40.7
P/B (x)	9.0	8.3	7.6	6.8	5.9
EV/EBITDA (x)	38.3	38.4	35.8	29.5	24.3
Dividend Yield	0.3%	0.3%	0.3%	0.3%	0.3%

Source: Company data, JM Financial. Note: Valuations as of 04/May/2018

## Operational performance

- **Order inflows improved by 19% YoY:** Excluding one-time mega HVDC and large traction transformer orders, inflows grew 19% YoY in CY17 to INR 95bn, pegging the book-to-bill ratio at 1.0x, slightly better than average run rate recorded during CY12-15. The growth was primarily driven by healthy growth in base orders of 13% YoY and a strong traction in exports from Southeast Asian and African markets. In the domestic market, orders were primarily driven by power transmission, water, food & beverage (F&B), pharma, transportation and infrastructure. Orders from heavy industries such as power generation (thermal), mining (coal and iron ore), steel and cement remained weak. Overall, order book stood at INR 115.3bn, 1.3x CY17 sales.

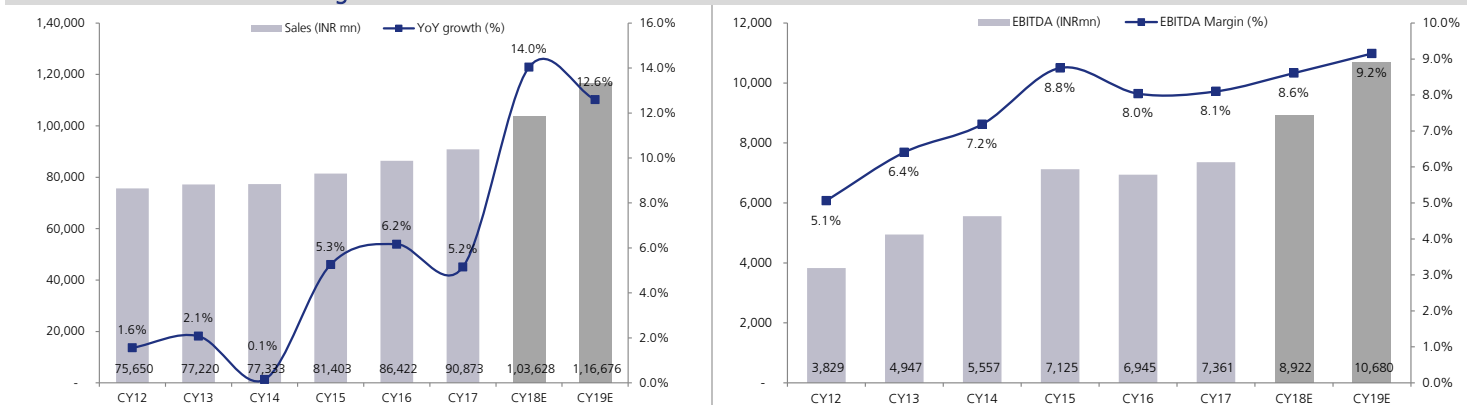
**Exhibit 1. Order book and order inflow trend**



Source: JM Financial, Company

- **Sales growth was muted at 5% YoY, but service income jumps:** Revenue growth was muted due to a decline in export sales (-10% YoY) and industrial automation segment (-5%) due to the absence of greenfield projects. Although service income constitutes a small portion of sales, it reported healthy growth of 17% YoY. With a strong order backlog and a pick-up in execution of the mega HVDC order, we expect sales growth to improve substantially over CY18-19.

**Exhibit 2. Sales and EBITDA margin trend**



Source: Company, JM Financial

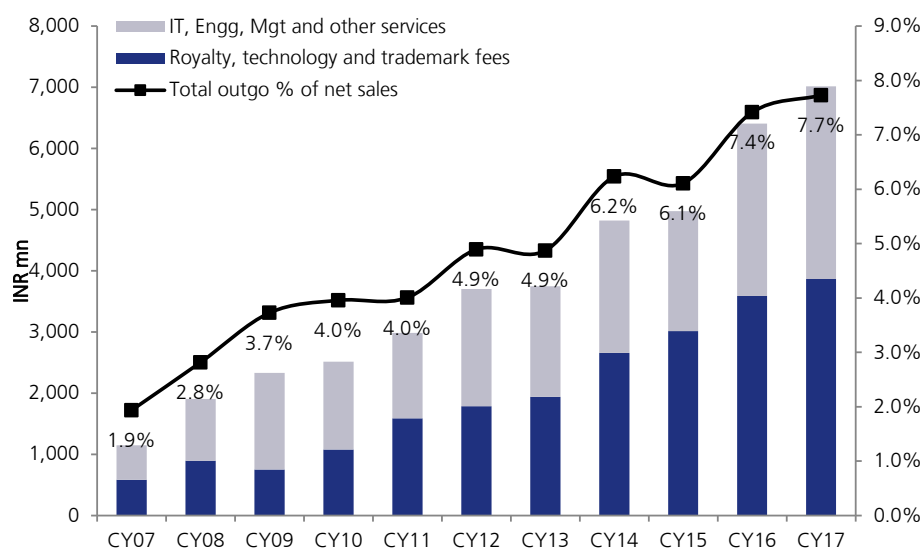
- **Operating margins remained subdued, despite higher gross margins:** Gross margins increased to an all-time high of 35.2% aided by lower commodity prices and a favourable sales mix. However, operating margins remained largely flat (+10bps) as management fees to group increased. We factor in a 50 bps improvement in each of the next two years as we expect benefits of operating leverage to kick in on improved capacity utilisation. Headcount reduction and higher employee productivity has led to tight control over employee expenses, which have posted a 4% CAGR over the last 5 years.

**Exhibit 3. Employee headcount continues to decline**

	CY12	CY13	CY14	CY15	CY16	CY17
Total Employee Cost (INR mn)	6,196	6,771	6,814	7,248	7,503	7,963
YoY%	5.6%	9.3%	0.6%	6.4%	3.5%	6.1%
Manpower (nos.)	6,752	6,371	6,165	5,839	5,603.0	5,590
YoY%	-2.5%	-5.6%	-3.2%	-5.3%	-4.0%	-0.2%
Staff cost per employee (INR)	9,17,654	10,62,722	11,05,288	12,41,257	13,39,033	14,24,508
YoY%	8.3%	15.8%	4.0%	12.3%	7.9%	6.4%

Source: Company, JM Financial

- **Outgo to group entities jumped 4-fold over last 10 years:** Expenses paid to group entities increased from 1.9% in CY07 to 7.7% in CY17 as outgo in form of royalty, trademark fees, IT expenses and management charges increased substantially. These numbers are significantly higher than other engineering MNC counterparts in our coverage including Cummins India (2.4%), SKF India (3.4%) and Schaeffler India (2.9%).

**Exhibit 4. Outgo to group entities rise 4x in 10 years**

Source: Company, JM Financial

- **Contingent liabilities increased by 43%; stand at 23% of capital employed:** Contingent liabilities saw a jump of 43% YoY to INR 9.3bn, representing 10% of sales and 23% of capital employed.

**Exhibit 5. Contingent liabilities saw a sharp jump**

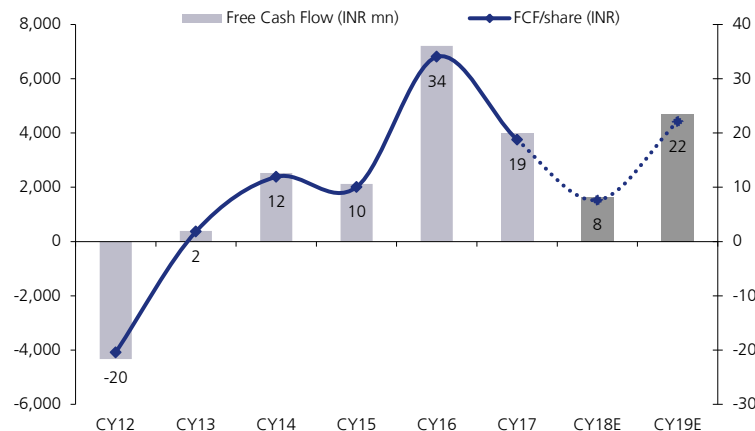
	CY12	CY13	CY14	CY15	CY16	CY17
Contingent Liabilities	6,296	4,309	7,293	6,338	6,508	9,297
% of sales	8%	6%	9%	8%	8%	10%
% of capital employed	22%	13%	23%	18%	17%	23%

Source: Company, JM Financial

## Balance sheet analysis

- **Free cash flow generation remained healthy:** Aided by healthy net margin expansion (led by decline in interest costs and lower tax rate) and reduction in NWC requirement (-12 days), free cash flow generation improved to INR 4.0bn (1.5% FCF yield). Since the improvement was driven by an advance against the mega HVDC order and increase in payable days, we believe the improvement is unlikely to sustain.

### Exhibit 6. Free cash flows continue to improve



Source: Company, JM Financial

- **Return ratios and cash position improves:** Return ratios were flat at 12% in CY17 even as net margins increased (assisted by lower interest/tax outgo), due to worsening asset turns as cash balance jumped. A higher payout to investors in form of dividends or buybacks can improve return ratios, even as NWC normalises.

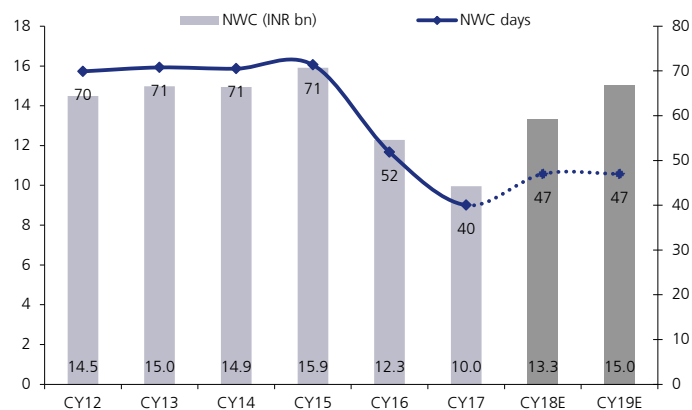
### Exhibit 7. Dupont Analysis

	CY14	CY15	CY16	CY17 Comments
Net Margin (%)	3.0%	3.7%	4.3%	4.6% Net margins expanded on improvement in operating margins
Asset Turnover (x)	4.0	5.0	6.4	6.2 Asset turns improve on lower NWC and benefits of change in accounting policy
Leverage factor (x)	1.2	1.1	1.2	1.1 Leverage factor declined
RoE (%)	8.3%	10.3%	11.9%	12.2% Overall, RoE improved marginally
RoCE (%)	9.2%	10.7%	11.9%	12.0% Despite higher debt RoCE also improving

Source: Company, JM Financial

- **NWC cycle dipped to a 10-year low of 40 days:** Booking of advance against the mega HVDC order and a rise in payable days (+18 days) led to a sharp decline in NWC to 40 days (-12 days). However, it is unlikely to sustain as payable days normalise and advances will be utilised towards project execution.

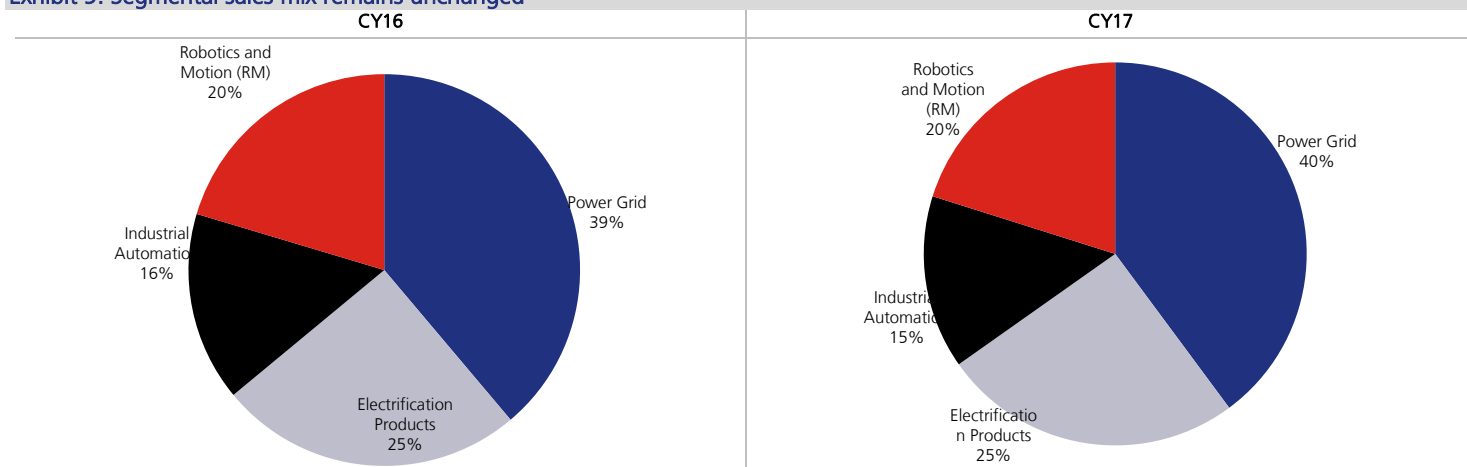
### Exhibit 8. Net working capital saw healthy improvement



Source: Company, JM Financial

## Segmental performance

### Exhibit 9. Segmental sales mix remains unchanged



Source: Company, JM Financial

### Power Grids (40% of sales)

- Revenue grew 4% YoY, led by completion of the North East Agra HVDC project and various other solar and transmission projects. However, EBIT margins saw a healthy recovery from 4.6% to 6.3% on improved sales mix.
- Excluding the one-time HVDC order, the segment reported 23% growth in order intake, despite a weak macro environment. The pick-up was led by robust inflows from metro and industrial orders in domestic region and grid strengthening (Bangladesh) and GIS Substations (Nepal) in exports.
- The company expects stable demand led by government spending in renewables, transportation and infrastructure projects. However, increased ordering through TBCB route and falling solar tariffs will lead to sustained pricing pressure and competition. Industrial capex is expected to recover in 2HCY18.

### Exhibit 10. Segment Financials – Power Grid

INR mn	CY16	CY17	YoY (%)
Revenue	23,900	24,391	2.1%
EBIT	2,844	2,812	-1.1%
EBIT Margin (%)	11.9%	11.5%	-40bps
Order Inflows	23,030	24,810	7.7%
Order Backlog	10,320	11,700	13.4%

Source: Company, JM Financial

### Exhibit 11. Major orders booked during the year

Sector	Particulars	Region
Transportation	115kV/ 22kV/ 415kV and 750 V DC substations for metro project	Domestic
Transmission & Distribution	Substation order from Power Grid Corporation Bangladesh	Export
Power Generation	e-BOP order for 1x525 MW TPP	Domestic
Industrial	765 kV transformers and reactors from oil & gas customer	Domestic
Transmission & Distribution	400kv GIS substation from Nepal Electricity Authority	Export

Source: Company, JM Financial

### Electrification Products (25% of sales)

- Revenue grew 5% YoY through market share gains, introduction of new products and increased distribution reach as capacity utilisation on some of the manufacturing lines are at an all-time high. Operating margins declined by 40bps to 11.5%, but an increase in local sourcing has led to faster delivery.

- Order inflows for the segment saw a healthy improvement of 13% YoY as the company received from power generation, industrial (food & beverage) and for solar solutions for various airports.
- Management expects the growth to continue in CY18 through government spending and increased demand for energy efficiency products. Segments such as water, datacentres, pharma, hospitality, healthcare and F&B would continue to drive inflows.
- The company launched Microgrid solutions in India in CY17 and switches under the brand name Adiya to foray into the retail division. The company's strong network of 300 dealers in 105 cities would help in penetration of these products.

**Exhibit 12. Segment Financials – Electrification Products**

INR mn	CY16	CY17	YoY (%)
Revenue	23,900	24,391	2.1%
EBIT	2,844	2,812	-1.1%
EBIT Margin (%)	11.9%	11.5%	-40bps
Order Inflows	23,030	24,810	7.7%
Order Backlog	10,320	11,700	13.4%

Source: Company, JM Financial

**Exhibit 13. Major orders booked during the year**

Sector	Particulars	Region
Transportation	Solar power solutions for airports	Domestic
Industrial	PVS 100 kW inverters - F&B Client	Domestic
Industrial	Supply of GIS - 33kV & 11kV & RMU - 33kV & 11kV for industrial corridor	Domestic
Power generation	11kV 50 kA and 40kA AIS switchgear for thermal power project	Domestic
Power generation	100 MW for state power generation - West India	Domestic

Source: Company, JM Financial

**Industrial Automation (15% of sales)**

- Revenue in IA segment declined 5% YoY as greenfield investments were weak and increased focus on opex. Demand from core sectors like steel and cement were flat YoY vs. a decline earlier. However, a pickup in exports improved the sales mix, thus leading to a 150bps improvement in EBIT margins to 12.1%.
- Order intake was up 12% YoY on improved inflows from mining and mineral processing for non-ferrous metals, railways, F&B and pharma. Although overall ordering momentum remained weak in power and oil & gas sector, ABB improved its growth through marketing of specialised equipment on automation front, making it the market leader in automation products in thermal and hydro power segment.
- Outlook for CY18 indicates that ordering in power (thermal), coal and steel sectors will be weak, but water, oil & gas, food & beverage and pharma sectors are likely to drive ordering. Also, there is a focus on automation of older hydro projects. The company has taken complete market share in ALCO 3,300 HP turbochargers for locomotives with 30% growth in export components.

**Exhibit 14. Segment Financials – Industrial Automation**

INR mn	CY16	CY17	YoY (%)
Revenue	14,851	14,092	-5.1%
EBIT	1,578	1,700	7.7%
EBIT Margin (%)	10.6%	12.1%	140bps
Order Inflows	13,030	15,250	17.0%
Order Backlog	10,320	11,550	11.9%

Source: Company, JM Financial

**Exhibit 15. Major orders booked during the year**

Sector	Particulars	Region
Industrial	Digitalization for F&B, Pharma, Paint Manufacturer	Domestic
Industrial	Automation & Electicals for LPG Segment	Domestic
Industrial	Enterprise-wise partnership and digital transformation - Cement	Domestic
Power generation	Automation - 660 MW super-critical plant	Domestic

Source: Company, JM Financial

**Robotics and Motion (20% of sales)**

- Revenue was flat YoY as slower growth in heavy industries led the company to focus on light industries such as F&B, HVAC, water and waste water. Railways also showed healthy growth in number of robots sold. EBIT margins declined 50bps YoY to 8.4%.
- Order intake was up 11% YoY as company booked orders from railways (propulsion system), motor orders for pumps, and a huge pick-up in robotic orders in various industries.
- Mixed bag outlook as light industry continues to see demand traction from sectors like F&B, water, renewable, along with transportation, infrastructure and oil & gas. However, heavy industries could take some time to rebound.

**Exhibit 16. Segment Financials – Robotics & Motion**

INR mn	CY16	CY17	YoY (%)
Revenue	19,359	19,359	0.0%
EBIT	1,721	1,628	-5.4%
EBIT Margin (%)	8.9%	8.4%	-50bps
Order Inflows	18,170	20,080	10.5%
Order Backlog	16,200	17,230	6.4%

Source: JM Financial, Company

**Exhibit 17. Major orders booked during the year**

Sector	Particulars	Region
Transportation	Propulsion system & composite converter orders from CLW	Domestic
Transmission & Distribution	Traction battery charger order – Alstom	Domestic
Industrial	25 Smart sensors across clients	Domestic
Industrial	Motor orders from several players like WPIL, ISGEC, Sulzer etc	Domestic
Industrial	Robotics from Auto firms	Domestic

Source: Company, JM Financial

## Financial Tables (Standalone)

Income Statement (INR mn)					
Y/E March	CY15A	CY16A	CY17A	CY18E	CY19E
Net Sales	81,403	86,422	90,873	1,03,628	1,16,676
Sales Growth	5.3%	6.2%	5.2%	14.0%	12.6%
Other Operating Income	0	0	0	0	0
<b>Total Revenue</b>	<b>81,403</b>	<b>86,422</b>	<b>90,873</b>	<b>1,03,628</b>	<b>1,16,676</b>
Cost of Goods Sold/Op. Exp	53,000	56,132	58,906	67,174	75,631
Personnel Cost	7,499	7,503	7,963	8,361	8,779
Other Expenses	13,779	15,842	16,644	19,171	21,585
<b>EBITDA</b>	<b>7,125</b>	<b>6,945</b>	<b>7,361</b>	<b>8,922</b>	<b>10,680</b>
EBITDA Margin	8.8%	8.0%	8.1%	8.6%	9.2%
EBITDA Growth	28.2%	-2.5%	6.0%	21.2%	19.7%
Depn. & Amort.	1,598	1,510	1,580	1,625	1,679
EBIT	5,527	5,436	5,781	7,297	9,001
Other Income	130	1,216	1,210	1,417	1,608
Finance Cost	912	919	773	696	626
PBT before Excep. & Forex	4,746	5,733	6,218	8,018	9,983
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	4,746	5,733	6,218	8,018	9,983
Taxes	1,747	1,988	2,018	2,646	3,294
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	2,999	3,745	4,200	5,372	6,688
<b>Adjusted Net Profit</b>	<b>2,999</b>	<b>3,745</b>	<b>4,200</b>	<b>5,372</b>	<b>6,688</b>
Net Margin	3.7%	4.3%	4.6%	5.2%	5.7%
Diluted Share Cap. (mn)	211.9	211.9	211.9	211.9	211.9
<b>Diluted EPS (INR)</b>	<b>14.2</b>	<b>17.7</b>	<b>19.8</b>	<b>25.4</b>	<b>31.6</b>
Diluted EPS Growth	31.2%	24.9%	12.1%	27.9%	24.5%
Total Dividend + Tax	944	944	1,020	1,071	1,148
Dividend Per Share (INR)	3.7	3.7	4.0	4.2	4.5

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	CY15A	CY16A	CY17A	CY18E	CY19E
Shareholders' Fund	30,181	32,867	36,069	40,370	45,910
Share Capital	424	424	424	424	424
Reserves & Surplus	29,757	32,443	35,645	39,946	45,486
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	6,000	6,000	6,041	6,041	6,041
Def. Tax Liab. / Assets (-)	-939	-1,304	-1,173	-1,173	-1,173
<b>Total - Equity &amp; Liab.</b>	<b>35,242</b>	<b>37,564</b>	<b>40,937</b>	<b>45,238</b>	<b>50,779</b>
Net Fixed Assets	13,427	13,227	13,351	13,726	14,047
Gross Fixed Assets	12,984	14,059	15,251	17,251	19,251
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	0	1,510	3,064	4,690	6,369
Capital WIP	443	678	1,165	1,165	1,165
Investments	164	163	2,706	2,706	2,706
Current Assets	59,914	62,618	71,650	78,491	89,966
Inventories	9,396	9,403	11,536	12,776	14,385
Sundry Debtors	33,538	29,707	27,878	31,230	35,163
Cash & Bank Balances	5,736	11,892	14,917	15,462	19,001
Loans & Advances	4,714	413	462	568	639
Other Current Assets	6,531	11,204	16,858	18,454	20,778
Current Liab. & Prov.	38,263	38,445	46,770	49,685	55,940
Current Liabilities	21,023	21,573	27,131	28,391	31,966
Provisions & Others	17,240	16,872	19,639	21,293	23,974
Net Current Assets	21,651	24,174	24,880	28,806	34,025
<b>Total - Assets</b>	<b>35,242</b>	<b>37,564</b>	<b>40,937</b>	<b>45,238</b>	<b>50,779</b>

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	CY15A	CY16A	CY17A	CY18E	CY19E
Profit before Tax	4,746	5,733	6,218	8,018	9,983
Depn. & Amort.	-5,723	1,510	1,555	1,625	1,679
Net Interest Exp. / Inc. (-)	0	0	0	0	0
Inc (-) / Dec in WCap.	-976	3,633	2,319	-3,381	-1,680
Others	-787	-365	131	0	0
Taxes Paid	-1,747	-1,988	-2,018	-2,646	-3,294
<b>Operating Cash Flow</b>	<b>-4,487</b>	<b>8,522</b>	<b>8,204</b>	<b>3,616</b>	<b>6,687</b>
Capex	6,611	-1,309	-1,679	-2,000	-2,000
Free Cash Flow	2,125	7,214	3,982	1,616	4,687
Inc (-) / Dec in Investments	1	1	-2,543	0	0
Others	0	0	0	0	0
<b>Investing Cash Flow</b>	<b>6,612</b>	<b>-1,309</b>	<b>-4,223</b>	<b>-2,000</b>	<b>-2,000</b>
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-944	-944	-1,020	-1,071	-1,148
Inc / Dec (-) in Loans	2,289	0	41	0	0
Others	6	-115	23	0	0
<b>Financing Cash Flow</b>	<b>1,352</b>	<b>-1,058</b>	<b>-956</b>	<b>-1,071</b>	<b>-1,148</b>
<b>Inc / Dec (-) in Cash</b>	<b>3,476</b>	<b>6,156</b>	<b>3,025</b>	<b>545</b>	<b>3,540</b>
Opening Cash Balance	2,260	5,736	11,892	14,917	15,462
Closing Cash Balance	5,736	11,892	14,917	15,462	19,002

Source: Company, JM Financial

Dupont Analysis					
Y/E March	CY15A	CY16A	CY17A	CY18E	CY19E
Net Margin	3.7%	4.3%	4.6%	5.2%	5.7%
Asset Turnover (x)	1.2	1.2	1.1	1.1	1.2
Leverage Factor (x)	2.4	2.4	2.4	2.4	2.3
RoE	10.3%	11.9%	12.2%	14.1%	15.5%
Key Ratios					
Y/E March	CY15A	CY16A	CY17A	CY18E	CY19E
BV/Share (INR)	142.4	155.1	170.2	190.5	216.7
ROIC	11.7%	12.4%	15.2%	18.5%	20.6%
ROE	10.3%	11.9%	12.2%	14.1%	15.5%
Net Debt/Equity (x)	0.0	-0.2	-0.2	-0.2	-0.3
P/E (x)	90.9	72.8	64.9	50.7	40.7
P/B (x)	9.0	8.3	7.6	6.8	5.9
EV/EBITDA (x)	38.3	38.4	35.8	29.5	24.3
EV/Sales (x)	3.4	3.1	2.9	2.5	2.2
Debtor days	150	125	112	110	110
Inventory days	42	40	46	45	45
Creditor days	85	77	86	82	83

Source: Company, JM Financial



## History of Earnings Estimate and Target Price

Date	Recommendation	Target Price	% Chg.
7-May-15	Sell	1,020	
24-Jul-15	Sell	980	-3.9
4-Nov-15	Sell	860	-12.2
5-Feb-16	Sell	850	-1.2
27-Apr-16	Sell	1,000	17.6
22-Jul-16	Sell	1,000	0.0
28-Oct-16	Sell	900	-10.0
13-Feb-17	Sell	900	0.0
10-May-17	Sell	1,000	11.1
23-Jul-17	Sell	1,000	0.0
27-Oct-17	Sell	990	-1.0
12-Feb-18	Sell	1,000	1.0

## Recommendation History



## APPENDIX I

### JM Financial Institutional Securities Limited

(formerly known as JM Financial Securities Limited)

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd., National Stock Exchange of India Ltd. and Metropolitan Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst – INH000000610

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Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 15%. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 15% upside from the current market price.
Sell	Price expected to move downwards by more than 10%

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