RETAIL EQUITY RESEARCH

Astral Poly Technik Ltd.

Plastic Products

BSE CODE: 532830 **NSE CODE:** ASTRAL
Bloomberg CODE: ASTRA:IN **SENSEX:** 36,212

HOLD

Rating as per Mid Cap 12 month investment period

CMP Rs. 1,173 TARGET Rs. 1,225 RETURN 4%

10th January 2019

Better placed to exploit growth opportunities

Astral is engaged in the business of manufacturing and marketing of PVC and CPVC plumbing systems for residential as well as industrial applications. It has also ventured into adhesives category in 2014 by acquiring Resinova and Seal It (UK and USA).

- Astral is expanding capacities in both pipes & fittings and adhesives which will help the company in capturing incremental demand and also aid in reducing logistics cost.
- Implementation of GST will provide an edge to organised players (market share of 60%/70% in pipes/adhesives) like Astral due to its strong distribution network and widespread geographical presence leading to market share gains.
- We factor consolidated revenue CAGR of 16% over FY18-20E largely driven by ramp up of capacities, focus on new product launches and widening of geographical presence.
- We estimate EBITDA margin expansion of 180 bps over FY18-21E owing to backward integration of PVC/CPVC compound across plants and stabilisation of new facilities.
- We expect Astral to generate healthy free cash flow from FY19 onwards as large part of capex is behind, thus leading to improvement in return ratios going ahead.
- We recommend HOLD rating on the stock with a target price of Rs. 1,225, based on 45x FY21E EPS.

Well-diversified product portfolio & strong brand equity

Astral is one of the leading manufacturers of Poly Vinyl Chloride (PVC) and Chlorinated Poly Vinyl Chloride (CPVC) pipes in India meeting the requirements for both residential and industrial applications. Astral has a broad-based product portfolio ranging from plumbing pipes to drainage, agriculture, industrial, fire protection and electrical conduit pipes, thus making it a one-stop solution provider for various piping requirements. Astral has built a robust brand equity through consistent product innovation, aggressive marketing and well-entrenched distribution reach. It has robust pan India distribution reach with more than 750 distributors and over 25,000 dealers.

Diversification to provide scale

In order to diversify its product offerings and to reduce single product concentration, Astral has forayed into the adhesives business through inorganic route with the acquisition of India based Resinova Chemie Ltd (Resinova) and UK based - SEAL IT in FY15. This acquisition expanded its presence in automobile-engineering-hardware & sanitary adhesives, construction chemicals, electrical insulators, sealants among others. Its adhesives business has more than 2,000 distributors and 4,50,000+ dealers spread across India with manufacturing plants in Gujarat, Kanpur, UK and US. Currently, this segment contributes 25% to the overall revenue. With a strong distribution footprint and new product launches, we factor adhesives revenue CAGR of 17% over FY18-21E.

On an expansion spree

Astral has continuously invested in its piping capacity over the years in order to meet incremental demand. Astral's piping system capacity has more than doubled over FY12-18 to 1,52,101 MT. The company is further expanding its overall pipes and fittings capacity to ~180,000mt by FY19. While the new facility in Rajasthan will enhance its presence in north and north-east markets, ramp-up of Hosur facility will provide company an edge in southern market, thus aiding in market share gains. Moreover, the acquisition of Rex Polytechnik (pioneering in corrugated piping and cable protection) will also aid in providing scale. Resultantly, we expect strong piping revenue CAGR of 15% over FY18-21E. Additionally, the company is also expanding its adhesives capacity and is eyeing to launch new products from this facility in Q1FY19.

Backward integration benefits to drive earnings growth

In FY17, Astral started its own CPVC compounding facility at Santej, Gujarat with backward integration agreement with Japan based Sekesui for outsourcing of CPVC resins. This tie up has enabled the company to launch its own brands viz. ASTRAL CPVC PRO for plumbing application, ASTRAL FIRE PRO for fire application and ASTRAL CHEM PRO for industrial application. This is expected to provide fillip to the earnings growth going ahead as the company is undertaking backward integration of PVC/CPVC compounding across plants. Hence, we factor EBITDA margin expansion of 180 bps over FY18-21E. This coupled with stabilisation of new facilities will translate into improvement in return ratios.

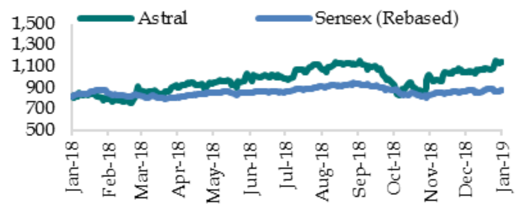
Valuations: Astral's diversified product portfolio coupled with strong distribution footprint, capacity expansion and positive macro policies will drive growth going ahead. Consequently, we estimate consolidated revenue/PAT to grow at a CAGR of 16%/23% over FY18-21E. The stock currently trades at ~64x/50x/43x FY19E/20E/21E EPS. We value the stock at 45x FY21E EPS arriving at a target price (TP) of Rs. 1,225. Recommend HOLD.

Company Data	
Market Cap (cr)	Rs. 13,613
Enterprise Value (cr)	Rs. 13,873
Outstanding Shares (cr)	12.0
Free Float	42%
Dividend Yield	0.1%
52 week high	Rs. 1,210
52 week low	Rs. 731
6m average volume (lacs)	0.7
Beta	0.9
Face value	Rs. 1

Shareholding %	Q1 FY18	Q2 FY18	Q3 FY18
Promoters	59.3	58.5	58.5
FII's	14.8	15.7	15.9
MFs/Insti	9.9	9.7	10.2
Public	12.6	12.2	11.8
Others	3.4	3.9	3.6
Total	100.0	100.0	100.0

Price Performance	3mth	6mth	1 Year
Absolute Return	38%	13%	40%
Absolute Sensex	4%	0%	5%
Relative Return*	34%	13%	35%

*over or under performance to benchmark index



Y.E Mar (Rs cr)	FY19E	FY20E	FY21E
Sales	2,632	2,994	3,302
Growth (%)	25.0%	13.8%	10.3%
EBITDA	414	495	556
EBITDA Margins %	15.7	16.5	16.8
PAT Adj.	218	282	326
Growth (%)	24.6%	29.3%	15.6%
Adj.EPS	18.2	23.6	27.2
Growth (%)	24.6%	29.3%	15.6%
P/E	64.4	49.8	43.1
P/B	11.5	9.4	7.8
EV/EBITDA	34.5	28.6	25.2
ROE (%)	19.4	20.7	19.7
D/E	0.2	0.1	0.0

Valuations

Currently, Astral is trading at a PE multiple of 64x/50x/43x FY19E/20E/21E earnings, which is above its historical average (last 5yr Avg. 1yr Fwd. P/E ~42x). Our target multiple (45x) is above with Astral's past five-year average PE multiple. We believe Astral will continue to enjoy premium valuation owing to several factors viz; a) broad based product portfolio b) expansion of adhesives business to diversify its product offerings c) capacity addition drive d) robust earnings growth potential owing to ramp up of capacities and benefit of backward integration e) robust free cash flow generation from FY19 onwards. Further positive macro policies like government's thrust on housing for all, infrastructure, irrigation & rural development and implementation of GST among others augurs well for the company given it is a leading manufacturer of CPVC pipes. Hence, we recommend Astral with HOLD rating with a TP of Rs. 1,225 based on 45x FY21E EPS of Rs. 27.2.

1 Yr fwd P/E band

Peer comparison

Company	Sales (cr)			EBITDA Margin %		
	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E
Astral	2,632	2,994	3,302	15.7	16.5	16.8
Finolex	3,147	3,520	3,731	18.6	17.8	17.9
Supreme Ind.	5,755	6,562	7,503	15.1	15.2	15.5

Company	P/E			ROE%		
	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E
Astral	64.4	49.8	43.1	19.4	20.7	19.7
Finolex	17.4	16.5	16	12.8	12.7	13.8
Supreme Ind.	30.5	25.8	21.8	-	24.0	24.0

Source: Bloomberg, Geojit Research

Investment Rationale

Broad based product portfolio

Initially the company started as a manufacturer of plumbing and drainage pipes. But over the years, Astral has expanded its presence in other categories viz; agriculture, industrial, fire protection and electrical conduit pipes along with all kinds of necessary fittings, making it a one-stop solution provider for various piping requirements. The company's recent entry into agriculture pipes segment (market size of Rs. 7,000 cr) offers immense growth potential given the company's brand strength and pan India distribution network.

Currently, the company is one of the leading manufacturers of PVC and CPVC pipes in India. It is also the first company to receive license for manufacturing CPVC piping systems in India. Astral operates through three state-of-the-art production facilities two at Gujarat and one at Tamil Nadu in India to manufacture plumbing (from ½" to 12") and drainage systems. Further to strengthen its presence in the plastic pipes segment, the company has acquired 51% stake in Rex Polytechnik (pioneering in corrugated piping and cable protection) for Rs. 75.2 cr in cash and the balance 49% through share swap deal.

Moreover, as part of diversification, the company has entered into Adhesives, Sealants & Construction Chemicals business with the acquisition of India based Resinova Chemie Ltd (RCL) and UK based - SEAL IT. This acquisition expanded its presence in automobile-engineering-hardware & sanitary adhesives, construction chemicals, electrical insulators, sealants among others.

Astral's products across segments

Source: Company, Geojit Research

Strong distribution network

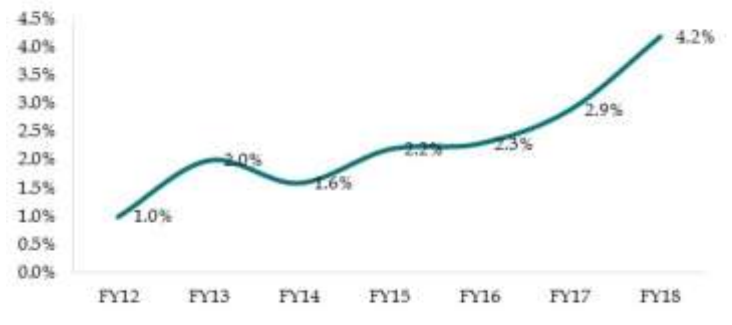
The company has built a robust pan India distribution and dealer network. Currently, Astral has more than 750 distributors and over 28,000 dealers across India for its pipes business. While, its adhesives business has 1,800 distributors and ~4,00,000 dealers spread across India. Further the company is utilising its existing distribution network to cross sell Resinova products in India. This has helped the overall growth of the company and is a reflection of company's deepening client engagements. The company is also planning to launch Seal-IT products in India.

Robust brand equity

Astral has developed robust brand equity through consistent product innovation, aggressive ad campaigns and well-entrenched distribution reach. Moreover, its direct-connect with plumbers & consultants also strengthens its brand value. To raise product awareness, the company provides training to plumbers & consultants and also participates in various national & international exhibitions. The company has roped in actor Salman Khan as the brand ambassador for Astral Pipes and Resinova businesses.

Besides, its backward integration initiative of sourcing key raw material - CPVC resin has enabled the company to launch its own brand viz. ASTRAL CPVC PRO for plumbing application and subsequently launched ASTRAL FIRE PRO for fire application and ASTRAL CHEM PRO for industrial application. Its ad spend has increased sharply from 1% of revenue in FY12 to 4.2% in FY18. Its aggressive brand spending and innovative product offerings will further aid in augmenting market share and fortify its brand positioning.

Advertising & promotion as a proportion of net sales (%)



Source: Company, Geojit Research

Adhesives to spur the next leg of growth

In order to diversify its product offerings and reduce the risk of single product concentration, Astral has entered into the adhesives business with manufacturing plants in Gujarat, Kanpur, UK and US. In FY11, the company acquired 85% stake in Advanced Adhesives Ltd (AAL) in technical collaboration with US based IPS Corporation. To further strengthen its presence and broaden its product offerings, the company acquired India based Resinova Chemie Ltd (RCL) and UK based - SEAL IT in FY15. Later in FY17, RCL was merged with AAL. Currently, Astral Adhesives is an umbrella brand for a diversified range of adhesives, sealants, putties and construction aids.

Resinova manufactures adhesives used in varied applications; products ranging from customized Epoxy/cyanoacrylates/PVA/Silicone/Solvent cement /and various Construction Chemicals. The company is expanding its adhesive capacity in Santej (to come on-stream by Q4FY18) and is looking to launch new products from this facility.

In FY15, Astral acquired 80% stake in UK based manufacturer of adhesives and sealants - Seal IT Services Ltd. Additionally, Seal IT entered into the US market by acquiring high end silicone tape business of Rowe Industries Inc., USA in FY17. Post the acquisition, the company has expanded capacity of its US operations. Post this, the company is planning to launch these products in India and Europe.

We believe the capacity expansion drive and focus on new product launches will not only help the company in achieving scale but also aid in augmenting market share. Hence, we factor revenue CAGR of 17% over FY18-21E in adhesives.

New product launches to deepen market share

The company has launched several new products by consistently focusing on new product development and innovation. Leveraging its R&D capabilities, the company in FY17 has developed CPVC compound in-house enabling it to manufacture CPVC pipes and fittings for industrial use, casing pipe for submersible pumps and fire sprinkler system. The company has also developed new product like advanced hot & cold-water plumbing pipes & fittings and high density low noise drainage system pipes & fittings. Further, it is planning to launch 'double wall corrugated' pipes for underground drainage system – that can replace bigger diameter RCC pipes.

In the adhesives business also the company has introduced various new products. Resinova has launched new products – Tanking Slurry, Leveling Compound and Epoxy Grout under the "TRUBUILD" category. Further the company has launched an instant Adhesive product 'ResiQuick' (0.5 g ampule pack of

Cyanoacrylate) in FY18. Seal IT, UK has launched new packaging in the new, handy sized plastic tubes under Squeezies range like Saves Nails, SF Adhesives, Door and Window Sealant, Bathroom & Kitchen Sealant and Flexible Filler Decorators Caulk.

Robust capacity expansion on the anvil

Astral has continuously invested in its piping capacity in order to meet incremental demand. Astral's piping system capacity has more than doubled over FY12-18 to 1,52,101 MT.

In order to meet this robust demand, the company has set a new pipes & fittings facility of ~20,000 MT at Ghiloth, Rajasthan which has commenced commercial production from June 2018. The CPVC and PVC pipes and fittings manufactured from this new plant will help the company in increasing its market share in North and North-East region. The company is also ramping-up its Hosur facility (~20,000 MT) which is expected to be completed by the end of FY19. Additionally, it is also expanding the capacity of PVC, CPVC, compounding and borewell column pipes at Santej plant and augmenting the valves capacity at Dholka plant. Both the ongoing expansion are likely to come on stream by Q3FY19. Post the capacity expansion, the overall pipes and fittings capacity will increase to ~180,000mt by FY19.

We believe the capacity expansion drive will not only help the company in capturing any incremental demand but will also aid in reducing its logistics cost. We expect strong piping revenue CAGR of 15% over FY18-21E.

Robust growth prospects of domestic plastic pipes industry

The demand for plastic pipes has gained rapid pace in the last decade owing to increasing demand for pipes in the irrigation sector and construction industry. Among plastic pipes, the demand for PVC and CPVC pipes in particular are gaining momentum due to huge demand for replacement of metal pipes as plastic pipes are less corrosive, more durable and competitively priced. Going ahead, we expect the demand for plastic pipes to stay robust on the back of government's initiatives like Housing-for-all by 2022 and Swachh Bharat Abhiyan. According to FICCI, India's plastic pipe market is expected to grow at a CAGR of ~10% over 2017-2021. This will be driven by government's increasing spending on infrastructure, big thrust on agriculture sector, growing urbanisation and replacement of aging pipelines.

Additionally, implementation of GST will augur well for the organized players (market share of 60%/70% in pipes/adhesives) in the industry as this narrows the price differential between organised and unorganised players leading to market share gains for organized players. The GST rate for both pipes & adhesives stood at 18%.

Given its broad-based product portfolio coupled with strong distribution network and widespread geographical presence, Astral is well placed to increase its market share.

Financials

Revenue to grow at 16% CAGR

Astral's revenue has grown at a robust CAGR of 21% over FY13-18 owing to significant ramp-up of capacities, consistent new product launches, diversification of product portfolio, deepening distribution network and aggressive branding. Further, its inorganic foray into adhesives business also aided the growth. Going ahead, we factor strong consolidated revenue CAGR of 16% over FY18-21E mainly due to traction in demand, capacity expansion drive across piping, adhesives & sealant businesses, focus on new product launches and widening of geographical presence.

Overall revenue to grow at 16% CAGR during FY18-20E

Source: Company, Geojit Research

Multiple levers for margin expansion

In line with sturdy revenue growth, the company has witnessed robust growth of 22% CAGR in EBITDA over FY13-18. Although EBITDA margin remained in a narrow range of 12-15% during the period, besides, succumbing to pressure in FY15 owing to impact of inventory loss due to sharp decline in crude price. However, EBITDA margin managed to recover in FY17 to 14% as the company ended its tie-up with US based Lubrizol Corp. for outsourcing key raw material – CPVC compound and commenced its own CPVC compounding facility at Santej, Gujarat with backward integration agreement with Japan based Sekesui for outsourcing CPVC resins. Further, in FY18 the benefit of lower crude price coupled with benefit of currency appreciation and backward integration also assisted in margin expansion.

Going ahead, we expect EBITDA margin to further improve to 16.8% in FY21E owing to several factors 1) backward integration of PVC/CPVC compounding across plants 2) stabilisation of new capacities 3) planned capacity expansion near target markets will help in reducing logistics cost 4) cross selling of products.

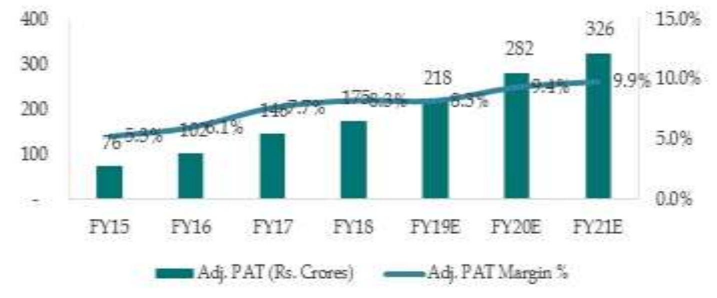
EBITDA to grow at 21% CAGR over FY18-21E

Source: Company, Geojit Research

Net Profit to grow at 23% CAGR

In line with robust EBITDA growth, adjusted net profit clocked a strong CAGR of 24% over FY13-18. Going ahead, we estimate adj. PAT CAGR to stay healthy at 23% over FY18-21E backed by sturdy sales growth and robust operating performance.

PAT to grow at 23% CAGR over FY18-21E



Source: Company, Geojit Research

Superior return ratios

In the past the company registered healthy growth in cash flow from operations on the back of significant control on working capital. Notably, the company has generated OCF of more than Rs. 850 cr over FY13-18. However, free cash flow generation remains volatile as the company has incurred significant capex owing to its capacity expansion drive. Judicious usage of internal accruals for meeting capex needs also translated into significant decline in debt to equity ratio to 0.2x in FY18 from 0.3x in FY13. Higher profitability and lower financial leverage have allowed the company to generate healthy return ratios over the years with an average ROE/ROCE levels of 21%/27% over FY13-18. With large part of capex behind, we expect the company to generate healthy free cash flow from FY19E onwards (cumulative free cash flows of ~Rs. 280 cr over FY18-21E). Further we expect ROE/ROCE to improve going ahead on the back of stabilisation of new capacities and improvement in profitability.

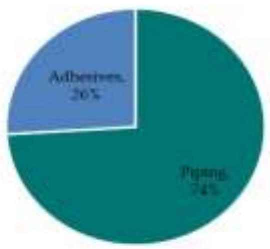
RoE to stay robust going ahead

Source: Company, Geojit Research

Astral Ploy Technik Ltd: Business overview

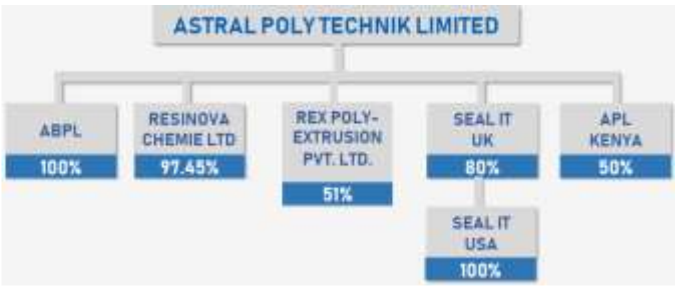
Incorporated in 1996, Astral Poly Technik Ltd offers one-stop solution for various piping requirements like plumbing, drainage, industrial, fire sprinklers, agri pipes, electrical piping systems etc. Astral is engaged in the business of manufacturing and marketing of PVC and CPVC plumbing system both for residential as well as industrial applications. Astral's piping manufacturing plants are located at Santej & Dholka (Gujarat) and Hosur (Tamil Nadu). It is also engaged in the business of manufacturing and marketing of wide range of adhesive solutions. It has ventured into adhesives category in FY15 by acquiring India based Resinova Chemie Ltd and UK based - SEAL IT businesses. Seal IT Services Ltd., UK has entered into US market by acquiring high end silicone tape business of Rowe Industries Inc., USA in FY17. Astral adhesives manufacture a diversified range of adhesives, sealants, putties and construction aids.

Astral's revenue mix



Source: Company, Geojit Research

Astral's corporate structure



Source: Company, Geojit Research

Key Risks:

- Slowdown in housing sector and government spending on infrastructure could impact demand.
- The company is significantly dependent on import of raw materials, so volatility in raw material prices may impact margins.
- Adverse currency fluctuation.

Consolidated Financials

Profit & Loss Account

Y.E March (Rs cr)	FY17A	FY18A	FY19E	FY20E	FY21E
Sales	**1,889**	**2,106**	**2,632**	**2,994**	**3,302**
% change	12.6%	11.5%	25.0%	13.8%	10.3%
EBITDA	**264**	**317**	**414**	**495**	**556**
% change	27.1%	20.1%	30.6%	19.7%	12.3%
Depreciation	50	57	74	87	102
EBIT	**214**	**260**	**340**	**408**	**454**
Interest	18	22	42	22	10
Other Income	9	13	16	18	22
PBT	**204**	**251**	**313**	**404**	**466**
% change	48.2%	22.7%	25.0%	28.8%	15.4%
Tax	56	72	91	117	135
Tax Rate (%)	27.5%	28.9%	28.9%	28.9%	28.9%
P&L from JVs.	(3)	(3)	(3)	(3)	(3)
Reported PAT	**145**	**175**	**218**	**282**	**326**
Adj*	(1)	-	-	-	-
Adj PAT	**146**	**175**	**218**	**282**	**326**
% change	43.1%	20.2%	24.6%	29.3%	15.6%
No. of shares (cr)	12.0	12.0	12.0	12.0	12.0
Adj EPS (Rs)	**12.2**	**14.6**	**18.2**	**23.6**	**27.2**
% change	43.1%	20.2%	24.6%	29.3%	15.6%
DPS (Rs)	0.5	0.6	0.7	0.9	1.1

Balance Sheet

Y.E March (Rs cr)	FY17A	FY18A	FY19E	FY20E	FY21E
Cash	17	44	41	84	170
Accounts Receivable	339	307	377	429	474
Inventories	272	357	436	492	542
Other Cur. Assets	48	35	38	41	43
Investments	-	-	-	-	-
Gross Fixed Assets	598	756	999	1,179	1,359
Net Fixed Assets	509	608	777	870	948
CWIP	25	73	50	50	50
Intangible Assets	232	235	313	313	313
Def. Tax (Net)	(26)	(33)	(33)	(33)	(33)
Other Assets	19	16	16	16	16
Total Assets	**1,434**	**1,642**	**2,016**	**2,262**	**2,524**
Current Liabilities	353	421	505	560	608
Provisions	-	-	-	-	-
Debt Funds	221	187	267	187	87
Other Liabilities	1	2	2	2	2
Equity Capital	12	12	12	12	12
Reserves and Surplus	835	1,006	1,214	1,484	1,795
Shareholder's Fund	847	1,018	1,226	1,496	1,807
Minority Interest	12	14	16	18	21
Total Liabilities	**1,434**	**1,642**	**2,016**	**2,262**	**2,524**
BVPS (Rs)	70.7	85.0	102.4	124.9	150.8

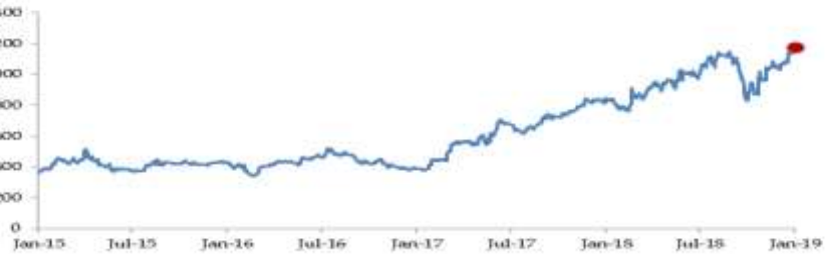
Cash flow

Y.E March (Rs cr)	FY17A	FY18A	FY19E	FY20E	FY21E
Pre-tax profit	**201**	**248**	**311**	**401**	**463**
Depreciation	50	57	74	87	102
Changes in W.C	(106)	16	(68)	(56)	(49)
Others	13	23	26	4	(12)
Tax paid	(44)	(63)	(91)	(117)	(135)
C.F.O	**114**	**282**	**253**	**319**	**369**
Capital exp.	(160)	(189)	(299)	(180)	(180)
Change in inv.	1	(2)	-	-	-
Other invest.CF	1	6	16	18	22
C.F - investing	**(158)**	**(185)**	**(283)**	**(162)**	**(158)**
Issue of equity	0	-	-	-	-
Issue/repay debt	32	(42)	80	(80)	(100)
Dividends paid	(3)	(8)	(10)	(13)	(15)
Other finance.CF	(19)	(21)	(42)	(22)	(10)
C.F - Financing	**10**	**(71)**	**28**	**(115)**	**(126)**
Chg. in cash	(33)	25	(2)	42	86
Closing cash	17	44	41	84	170

Ratios

Y.E March	FY17A	FY18A	FY19E	FY20E	FY21E
Profitab. & Return					
EBITDA margin (%)	14.0	15.0	15.7	16.5	16.8
EBIT margin (%)	11.3	12.3	12.9	13.6	13.8
Net profit mgn.(%)	7.7	8.3	8.3	9.4	9.9
ROE (%)	18.7	18.8	19.4	20.7	19.7
ROCE (%)	23.1	23.7	26.1	26.6	26.4
W.C & Liquidity					
Receivables (days)	58	52	52	52	52
Inventory (days)	65	79	78	78	78
Payables (days)	66	71	71	71	71
Current ratio (x)	1.9	1.8	1.8	1.9	2.0
Quick ratio (x)	1.1	0.9	0.9	1.0	1.1
Turnover &Levg.					
Gross asset T.O (x)	3.5	3.1	3.0	2.7	2.6
Total asset T.O (x)	1.4	1.3	1.4	1.4	1.4
Adj. debt/equity (x)	0.3	0.2	0.2	0.1	0.0
Valuation ratios					
EV/Net Sales (x)	7.6	6.7	5.4	4.7	4.2
EV/EBITDA (x)	54.1	44.9	34.5	28.6	25.2
P/E (x)	96.5	80.2	64.4	49.8	43.1
P/BV (x)	16.6	13.8	11.5	9.4	7.8

Recommendation Summary



Source: Bloomberg, Geojit BNP Paribas Research

Dates	Rating	Target
10-January-2019	HOLD	1,225

Large Cap Stocks;		
Buy	**-**	**Upside is above 10%.**
Hold	**-**	**Upside is between 0% - 10%.**
Reduce	**-**	**Downside is more than 0%.**
Neutral	**-**	**Not Applicable.**

Mid Cap and Small Cap;		
Buy	**-**	**Upside is above 15%.**
Accumulate	**-**	**Upside is between 10% - 15%.**
Hold	**-**	**Upside is between 0% - 10%.**
Reduce/Sell	**-**	**Downside is more than 0%.**
Neutral	**-**	**Not Applicable.**

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell. The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating.
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