

JULY 12, 2011

**RESULT**

Coverage view:

 Price (Rs): **179**

 Target price (Rs): **170**

 BSE-30: **18,721**

**Marginally lower than estimates.** Sintex's 1QFY12 EBITDA at Rs1.89 bn was a little lower than our estimates at Rs1.96 bn. PAT grew 20% yoy on account of higher tax rate (27% versus 18% in 1QFY11). We make the following observations on the quality of the earnings growth of the company in the last few years: (1) The growth is led by rapid expansion of balance sheet, (2) in our opinion it would be difficult for the company to generate cash flows going forward even if the growth rate slows down, and (3) The business (SA) is generating very low asset turns on incremental capex. We retain SELL with a 12-month target price of Rs170.

**Company data and valuation summary**

Sintex

**Stock data**

52-week range (Rs) (high,low) 237-138

Market Cap. (Rs bn) 50.0

**Shareholding pattern (%)**

Promoters 35.0

FIIs 33.3

MFs 6.2

**Price performance (%)**

	1M	3M	12M
Absolute	4.0	13.1	13.2
Rel. to BSE-30	0.7	15.5	7.0

**Forecasts/Valuations**

	2011	2012E	2013E
EPS (Rs)	17.0	19.2	20.3
EPS growth (%)	40.2	13.4	5.7
P/E (X)	10.8	9.6	9.1
Sales (Rs bn)	44.8	55.7	65.7
Net profits (Rs bn)	4.6	5.2	5.5
EBITDA (Rs bn)	8.2	9.6	10.7
EV/EBITDA (X)	8.4	7.4	6.6
ROE (%)	17.9	16.9	15.1
Div. Yield (%)	0.7	0.8	0.8

**1QFY12 EBITDA marginally lower than estimates; PAT miss due to higher tax rate yoy**

Sintex's 1QFY12 consolidated revenues at Rs11 bn (+22% yoy; -24% qoq) were in line with our estimates. Marginal underperformance in the building products segment was mitigated by outperformance in the custom moldings division. PAT at Rs946 mn (+20% yoy; -43% qoq) was lower versus our estimate at Rs1.06 bn due to higher tax rate (27% versus 18% in 1QFY11). EBITDA margins in the monolithic segment came in line with our estimates at 18%; historically, the margins have been above our estimates. Order book in the segment at Rs30 bn is almost flat versus Rs29 bn reported in 4QFY11.

**Earnings growth led by rapidly expanding balance sheet**

We make the following observations on quality of earnings growth in the last few years.

- ▶ **Earnings growth is led by expansion of the balance sheet.** As per our estimates, in FY2008-11 (three years), for every Rs100 of incremental sales (SA entity), the company has deployed Rs170 of incremental capital (capex+working capital) (Exhibit 4).
- ▶ **It would be hard for the company to generate cash flows even if growth slows down.** We compute that it may be difficult for the company to generate operating cash in the SA entity even if the revenue growth rate were to slow down to 8-10%.
- ▶ **Low asset turns:** In FY2008-11, the company (SA) generated asset turn of one on its incremental capex (Exhibit 4). It is possible that the company might generate incremental revenues without much increase in capex, but we would like to see some improvement before taking a positive view.

**We retain our SELL rating with a target price of Rs170**

We are leaving our earning estimates unchanged and retain SELL rating with a target price of Rs170 (at 10X FY2013E adj. EPS). We adjust the earnings for the impact of O/S FCCBs assuming an interest rate of 6% (P&L doesn't reflect the actual interest expense) of the face value of FCCBs.

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Exhibit 1: Results marginally below estimates – led by slightly lower margins and higher-than-estimated tax rate

Interim results of Sintex, consolidated, March fiscal year-ends (Rs mn)

	1QFY12	1QFY12E	1QFY11	4QFY11	(% chg.)		
					KIE est.	yoy	qoq
<b>Net sales</b>	<b>11,120</b>	<b>11,015</b>	<b>9,106</b>	<b>14,640</b>	<b>1.0</b>	<b>22.1</b>	<b>(24.0)</b>
<b>Total expenditure</b>	<b>(9,228)</b>	<b>(9,053)</b>	<b>(7,733)</b>	<b>(11,542)</b>	<b>1.9</b>	<b>19.3</b>	<b>(20.1)</b>
Raw material cost	(6,571)	—	(5,218)	(8,765)	—	25.9	(25.0)
Stock adjustment	170	—	200	(140)	—	NM	NM
Employee expenses	(1,287)	—	(1,175)	(1,189)	—	9.6	8.3
Other expenses	(1,540)	—	(1,540)	(1,448)	—	(0.0)	6.4
<b>EBITDA</b>	<b>1,892</b>	<b>1,962</b>	<b>1,374</b>	<b>3,098</b>	<b>(3.6)</b>	<b>37.7</b>	<b>(38.9)</b>
<b>OPM (%)</b>	<b>17.0</b>	<b>17.8</b>	<b>15.1</b>	<b>21.2</b>			
Other income	168	150	202	(93)	12.3	(16.7)	(280.8)
Depreciation	(439)	(400)	(363)	(396)	9.8	20.9	10.9
Interest	(350)	(310)	(249)	(296)	13.1	41.0	18.6
<b>Pretax profits</b>	<b>1,271</b>	<b>1,402</b>	<b>964</b>	<b>2,313</b>	<b>(9.4)</b>	<b>31.8</b>	<b>(45.0)</b>
Tax	(338)	(337)	(174)	(650)	0.6	95.0	(47.9)
<b>Net income</b>	<b>933</b>	<b>1,066</b>	<b>791</b>	<b>1,663</b>	<b>(12.5)</b>	<b>18.0</b>	<b>(43.9)</b>
Minority interest/share of assoc.	13	—	(2)	22	NM	NM	NM
<b>Adjusted PAT</b>	<b>946</b>	<b>1,066</b>	<b>788</b>	<b>1,685</b>	<b>(11.3)</b>	<b>19.9</b>	<b>(43.9)</b>
Extraordinaries	—	—	—	—	—	—	—
<b>Reported PAT</b>	<b>946</b>	<b>1,066</b>	<b>788</b>	<b>1,685</b>	<b>(11.3)</b>	<b>19.9</b>	<b>(43.9)</b>
<b>Segmental</b>							
<b>Revenues (including other income)</b>							
Textiles	1,098	1,200	987	1,290	(8.5)	11.3	(14.9)
Plastics	10,022	9,815	8,120	13,350	2.1	23.4	(24.9)
Un allocated	168	150	202	(40)	12.3	(16.7)	(526.0)
<b>Total</b>	<b>11,288</b>	<b>11,165</b>	<b>9,309</b>	<b>14,600</b>	<b>1.1</b>	<b>21.3</b>	<b>(22.7)</b>
<b>EBIT (including other income)</b>							
Textiles	111	180	114	196	(38.4)	(2.9)	(43.6)
Plastics	1,382	1,472	1,086	2,280	(6.1)	27.3	(39.4)
Un allocated	129	60	13	133	114.6	897.1	(2.8)
<b>Total</b>	<b>1,621</b>	<b>1,712</b>	<b>1,213</b>	<b>2,609</b>	<b>(5.3)</b>	<b>33.7</b>	<b>(37.8)</b>
<b>EBIT margin (%)</b>							
Textiles	10.1	15.0	11.6	15.2			
Plastics	13.8	15.0	13.4	17.1			
Un allocated	—	40.0	6.4	(335.3)			
<b>Total</b>	<b>14.4</b>	<b>15.3</b>	<b>13.0</b>	<b>17.9</b>			

Source: Company, Kotak Institutional Equities

Exhibit 2: Revenues were in line; marginal underperformance in the building products segment was balanced by custom moldings  
Quarterly segmental revenues for Sintex, consolidated, March fiscal year-ends (Rs mn)

	1QFY11	2QFY11	3QFY11	4QFY11	1QFY12	1QFY12E	(% chg.)		
							KIE est.	yoy	qoq
<b>Building products</b>									
Pre-fabs	1,137	1,010	1,770	1,373	1,300	1,300	-	14.3	(5.3)
Monolithic	1,760	2,430	3,490	5,690	2,770	3,000	(7.7)	57.4	(51.3)
Zeppelin	243	250	320	357	185	300	(38.3)	(23.9)	(48.2)
Tanks	440	440	520	580	480	520	(7.7)	9.1	(17.2)
<b>Total building products [A]</b>	<b>3,580</b>	<b>4,130</b>	<b>6,100</b>	<b>8,000</b>	<b>4,735</b>	<b>5,120</b>	(7.5)	32	(41)
<b>Custom molding</b>									
<b>Total custom molding [B]</b>	<b>4,096</b>	<b>4,130</b>	<b>4,593</b>	<b>5,223</b>	<b>5,250</b>	<b>4,695</b>	11.8	28	1
Others [C]	444	23	17	126	37	-			
<b>Total plastics [A+B+C]</b>	<b>8,120</b>	<b>8,283</b>	<b>10,710</b>	<b>13,349</b>	<b>10,022</b>	<b>9,815</b>	2.1	23.4	(24.9)
<b>Textiles</b>	<b>987</b>	<b>948</b>	<b>1,150</b>	<b>1,290</b>	<b>1,098</b>	<b>1,200</b>	(8.5)	11.3	(14.9)
<b>Total revenues</b>	<b>9,106</b>	<b>9,231</b>	<b>11,860</b>	<b>14,640</b>	<b>11,120</b>	<b>11,015</b>	1.0	22.1	(24.0)

Source: Company, Kotak Institutional Equities

Exhibit 3: Margins in the monolithic segment came in line with our estimates versus strong outperformance in the earlier quarters.

Quarterly trends in EBITDA for Sintex, consolidated, March fiscal year-ends (Rs mn)

	1QFY11	2QFY11	3QFY11	4QFY11	1QFY12
<b>Building products</b>					
Pre-fabs + Zepplin	205	275	358	446	304
Monolithic	326	583	642	1,366	499
Tanks	31	33	39	81	40
<b>Total building products [A]</b>	<b>562</b>	<b>891</b>	<b>1,039</b>	<b>1,893</b>	<b>843</b>
<b>Custom molding [B]</b>	<b>589</b>	<b>575</b>	<b>674</b>	<b>822</b>	<b>840</b>
Others [C]	(3.7)	18.4	(44.8)	15.5	(32.2)
<b>Total plastics [A+B+C]</b>	<b>1,147</b>	<b>1,485</b>	<b>1,668</b>	<b>2,730</b>	<b>1,651</b>
<b>Textiles</b>	<b>227</b>	<b>231</b>	<b>299</b>	<b>368</b>	<b>242</b>
<b>Total EBITDA</b>	<b>1374</b>	<b>1716</b>	<b>1967</b>	<b>3098</b>	<b>1892</b>
<b>EBITDA margin trend (%)</b>					
<b>Building products</b>					
Pre-fabs + Zepplin	14.9	21.8	17.1	25.8	20.5
Monolithic	18.5	24	18.4	24	18
Tanks	7	7.4	7.5	14	8.3
<b>Custom molding</b>	<b>14.4</b>	<b>13.9</b>	<b>14.7</b>	<b>15.7</b>	<b>16.0</b>
<b>Textiles</b>	<b>23</b>	<b>24.4</b>	<b>26</b>	<b>28.5</b>	<b>22</b>

Source: Company, Kotak Institutional Equities

### Earnings growth is led by rapid balance sheet expansion

We make the following observations on the quality of earnings reported by the company in the last few years. Please note that we have done entire analysis on the standalone entity.

- Earnings have been led by rapid balance sheet expansion. The increase in sales between FY2008 and FY2011 has been Rs9.43 bn while the incremental capital deployed (capex+incremental working capital adjusted for ICDs and escrow account) in the same period has been Rs15.96 bn (Exhibit 4). So, for every Rs100 of incremental sales, the company has deployed Rs170 of incremental capital.

- ▶ **Difficult to generate cash flows at this rate even if the growth slows down.** As illustrated above, for every Rs100 of incremental sales, the company has deployed Rs170 of incremental capital in FY2008-11. So, assuming base level sales of Rs100, if the company grows at 30%, it would have to deploy incremental capital of Rs50, if one were to project the past trends in cash flows in the future. Assuming the company continues to make 22% EBITDA margins (highest in the last five years), it would have an operating profit of Rs28.6 mn. As shown in Exhibit 5, there would be a net cash outflow of Rs32 mn. The company would not generate cash even if it reduces revenue growth rate to 10%, as per our assumptions. **Therefore, in our view, in case past trends in cash flow were to continue, it would be difficult for Sintex to generate cash even if the growth rate were to slow down from the current levels.**
- ▶ **Low asset turns:** In FY2008-11, the company has generated low asset turns (incremental sales/incremental capex) of ~1. As per our understanding of the industry, asset turns in pre-fabs and monolithic segments are about 3X (or more). Low assets turns could be due to low capacity utilization in the business and it may be possible to increase revenues without deploying incremental capital but we would wait to see some improvement before taking a positive view.
- ▶ **Low ROCE on incremental capital.** As per our estimates, in FY2008-11, the company has generated an ROCE of 9.5% on the incremental capital deployed in the business (capex and working capital). ROCE may not improve from the current low levels going forward given the competitive nature of the growth businesses of the company (monolithic + pre-fabs) and the fact that competitive intensity might increase given the high margins in the business.

In light of the above-mentioned points, we would wait to see improvements in the capital efficiency (increasing (incremental sales)/ (incremental capital deployed) ratio) before taking a positive view of the stock.

**Exhibit 4. Growth is led by rapid expansion of the balance sheet**

Balance sheet and P&amp;L items of Sintex, Standalone, March fiscal year-ends, 2008-11 (Rs mn)

	2007	2008	2009	2010	2011
Equity	6,509	15,117	16,277	18,821	21,724
Total Debt	6,783	15,369	19,384	21,744	24,960
Gross block	8,819	10,790	15,751	17,336	22,736
Less: depreciation	2,464	2,951	3,538	4,371	5,263
Average gross block		9,804	13,271	16,544	19,244
Net block	6,354	7,840	12,213	12,966	17,473
CWIP	388	2,427	1,974	1,368	
Inventories	1,455	1,628	1,812	1,687	1,747
Sundry debtors	2,130	4,769	4,958	6,771	8,381
Loans and advances	668	3,271	4,447	7,893	5,239
Loans and advances (adj.) (1)	668	1,636	2,224	3,946	4,489
Current liabilities and provisions	2,921	6,022	5,811	5,227	6,092
Current liabilities and provisions (adj.) (3)	2,921	3,346	3,127	2,537	3,408
Working capital	1,333	4,686	5,866	9,867	11,209
Purchase of fixed assets	2,215	3,800	4,346	942	5,400
	2007	2008	2009	2010	2011
Total Sales	11,575	16,750	19,033	19,966	26,188
Sales in monolithic business	0	2,100	4,520	7,200	10,530
EBITDA	2,174	3,439	3,733	3,790	5,976

	FY2008-10	FY2008-11
Increase in average gross block (a)	6,739	9,439
Increase in working capital	5181	6,524
Increase in total capital deployed (b)	11921	15,963
Increase in sales (c)	3,215	9,438
Asset turns on incremental capex (X) (c)/(a)	0.5	1.0
Incremental sales / Incremental capital (c)/(b)	0.27	0.59
Increase in EBITDA	351	2,537
Increase in depreciation	320	519
ROCE on incremental capital (%)	0.3	9.5

Assumptions:

1. 50% of the loans and advances are part of the working capital for FY2008-10
2. For FY2011 we have deducted Rs750 mn from total loans and advances on account of money locked in escrow accounts.
3. We have deducted the provisions on account of the FCCBs from total provisions.
4. Rs10.53 bn of sales in the monolithic business have been booked in the SA business. Remaining sales (out of total sales of Rs13.50 bn in FY2011) have booked in 100% subsidiary (Sintex Infra).

Source: Company, Kotak Institutional Equities

**Exhibit 5. Cash-flow generation would be difficult even if the growth slows down and assuming the high margins would sustain**

Scenario analysis for cash-flow generation (Rs mn)

Sales/Capital deployed	1.7	1.7
Base year sales	100	100
Growth (%)	30	10
Capital required (a)	51	17
Sales	130	110
EBITDA (%)	22	22
EBITDA (Rs) (b)	28.6	24.2
Interest at 11% (c)	5.61	1.87
Tax at 20% (d)	4	4
Cash flow (b) - (c) - (d) - (a)	(32)	1

Source: Kotak Institutional Equities

## Key operating assumptions

Sintex, operating assumptions, March fiscal year-ends, 2009-14E (Rs mn)

	2009	2010E	2011	2012E	2013E	2014E
<b>Revenues</b>						
<b>Plastics</b>						
<b>Building products [A]</b>	<b>12,780</b>	<b>14,456</b>	<b>21,810</b>	<b>30,204</b>	<b>37,748</b>	<b>41,382</b>
Monolithic	4,520	7,200	13,370	20,055	26,072	28,679
Standalone prefab business	5,740	4,297	5,290	6,804	8,123	8,927
Zeppelin (consolidated)	1,108	1,339	1,170	1,266	1,371	1,484
Water Tanks	1,411	1,620	1,980	2,079	2,183	2,292
<b>Custom molding [B]</b>	<b>14,174</b>	<b>14,901</b>	<b>18,042</b>	<b>20,038</b>	<b>22,059</b>	<b>24,298</b>
Standalone	3,439	3,506	3,976	4,558	5,039	5,571
Wasaukee	2,049	1,549	1,814	2,124	2,337	2,571
Nief Plastics	7,420	7,938	9,508	9,651	10,423	11,257
Bright AutoPlast	1,266	1,908	2,744	3,704	4,260	4,899
<b>Others [C]</b>	<b>653</b>	<b>230</b>	<b>604</b>	<b>654</b>	<b>709</b>	<b>770</b>
<b>Total plastics [A+B+C]</b>	<b>27,607</b>	<b>29,587</b>	<b>40,456</b>	<b>50,896</b>	<b>60,515</b>	<b>66,450</b>
<b>Textiles</b>						
Collection	991	923	1,187	1,296	1,401	1,515
RMG	2,447	2,278	2,905	3,171	3,428	3,707
Others	273	262	288	317	349	384
<b>Total textiles</b>	<b>3,711</b>	<b>3,463</b>	<b>4,381</b>	<b>4,784</b>	<b>5,178</b>	<b>5,605</b>
<b>Total revenues</b>	<b>31,318</b>	<b>33,050</b>	<b>44,837</b>	<b>55,680</b>	<b>65,693</b>	<b>72,055</b>
<b>EBITDA margin (%)</b>						
<b>Plastics</b>						
<b>Building products [A]</b>	<b>19.6</b>	<b>17.3</b>	<b>19.7</b>	<b>17.5</b>	<b>15.8</b>	<b>15.8</b>
Monolithic	18.0	18.0	20.0	18.0	16.0	16.0
Standalone prefab business	24.4	18.5	21.6	18.8	17.0	17.0
Water Tanks	6.0	8.0	12.0	8.0	8.0	8.0
<b>Custom molding [B]</b>	<b>14.4</b>	<b>14.1</b>	<b>15.2</b>	<b>15.9</b>	<b>15.9</b>	<b>16.0</b>
Standalone	24.7	21.0	24.2	24.4	24.4	24.4
Wasaukee	5.0	8.0	8.0	10.5	10.5	10.5
Nief Plastics	12.0	12.0	12.5	13.0	13.0	13.0
Bright AutoPlast	15.2	15.0	16.0	16.0	16.0	16.0
<b>Others [C]</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>
<b>Total plastics [A+B+C]</b>	<b>16.5</b>	<b>15.5</b>	<b>17.5</b>	<b>16.7</b>	<b>15.8</b>	<b>15.8</b>
<b>Textiles</b>						
Collection	33.6	25.0	30.0	30.0	30.0	30.0
RMG	27.7	18.0	25.0	22.0	22.0	22.0
Others	23.0	20.0	20.0	20.0	20.0	20.0
<b>Total textiles</b>	<b>28.9</b>	<b>20.0</b>	<b>26.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>
<b>Total consolidated</b>	<b>16.6</b>	<b>15.7</b>	<b>18.2</b>	<b>17.2</b>	<b>16.3</b>	<b>16.3</b>

Source: Kotak Institutional Equities estimates

**Summary financials**

Profit model, balance sheet and cash flow model for Sintex, consolidated, March fiscal year-ends, 2009-14E (Rs mn)

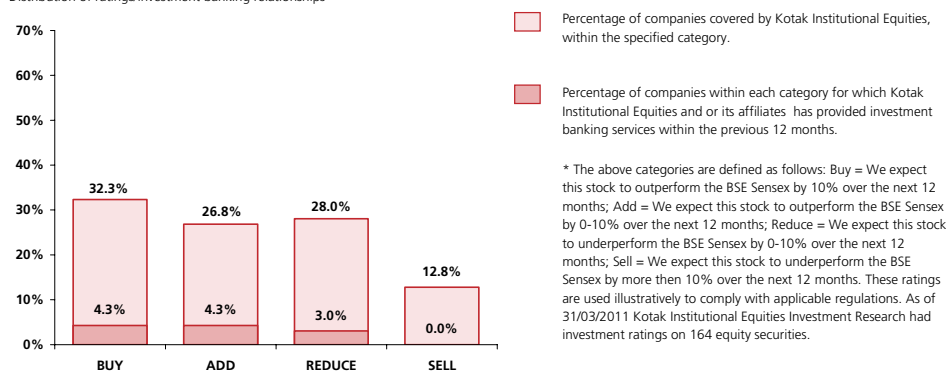
	2009	2010E	2011E	2012E	2013E	2014E
<b>Profit model</b>						
Revenues	31,318	33,050	44,837	55,680	65,693	72,055
<b>EBITDA</b>	<b>5,180</b>	<b>5,238</b>	<b>8,155</b>	<b>9,597</b>	<b>10,701</b>	<b>11,749</b>
Depreciation	(1,144)	(1,445)	(1,491)	(2,030)	(2,257)	(2,479)
Interest expense	(820)	(1,031)	(1,089)	(1,351)	(1,539)	(1,764)
Finance income	645	301	473	570	332	192
Other income	238	958	50	132	70	70
<b>Reported PBT</b>	<b>4,100</b>	<b>4,021</b>	<b>6,098</b>	<b>6,917</b>	<b>7,307</b>	<b>7,769</b>
Tax	(476)	(436)	(1,081)	(1,245)	(1,315)	(1,398)
Deferred taxation	(350)	(274)	(427)	(415)	(438)	(466)
Profit after tax	3,274	3,311	4,590	5,257	5,553	5,905
Minority interest	(23)	(21)	22	(30)	(30)	(30)
<b>Adjusted PAT</b>	<b>3,251</b>	<b>3,290</b>	<b>4,611</b>	<b>5,227</b>	<b>5,523</b>	<b>5,875</b>
Earnings per share (Rs)	12.0	12.1	17.0	19.2	20.3	21.6
<b>Balance sheet</b>						
Total equity	18,467	21,162	26,071	31,007	36,492	42,292
Total borrowings	23,227	26,493	27,738	28,710	22,228	24,758
Current liabilities	9,348	8,015	10,645	12,927	14,668	13,119
<b>Total liabilities and equity</b>	<b>51,042</b>	<b>55,669</b>	<b>64,454</b>	<b>72,645</b>	<b>73,388</b>	<b>80,168</b>
Cash	11,685	9,295	9,861	7,571	1,904	3,590
Other current assets	15,541	21,688	23,145	30,509	36,896	40,469
Goodwill	2,198	2,665	2,190	2,665	2,665	2,665
Tangible fixed assets	19,799	19,551	25,483	27,930	29,673	31,194
Investments	1,819	2,470	3,775	3,970	2,249	2,249
<b>Total assets</b>	<b>51,042</b>	<b>55,669</b>	<b>64,454</b>	<b>72,645</b>	<b>73,388</b>	<b>80,168</b>
<b>Free cash flow</b>						
Operating cash flow, excl. working capital	3,998	3,554	5,985	6,939	7,847	8,587
Working capital changes	(3,514)	(7,361)	1,625	(5,597)	(4,678)	(5,186)
Capital expenditure	(7,897)	(1,987)	(7,800)	(4,100)	(4,000)	(4,000)
Investment changes	—	—	—	—	—	—
Other income	663	267	523	701	402	262
<b>Free cash flow</b>	<b>(6,751)</b>	<b>(5,528)</b>	<b>332</b>	<b>(2,057)</b>	<b>(429)</b>	<b>(336)</b>
<b>Ratios (%)</b>						
EBITDA margin	16.5	15.8	18.2	17.2	16.3	16.3
Debt/equity	125.8	125.0	106.2	92.6	60.9	58.5
Net debt/equity	53.3	70.7	58.0	56.2	50.2	45.3
RoAE	17.6	15.5	17.9	16.9	15.1	13.9
RoACE	10.1	9.3	10.8	11.1	11.3	11.5
RoACE (excl. cash)	13.2	9.2	12.7	12.6	12.2	11.9

Source: Kotak Institutional Equities estimates

"I, Jasdeep Walia, hereby certify that all of the views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report."

#### Kotak Institutional Equities Research coverage universe

Distribution of ratings/investment banking relationships



Source: Kotak Institutional Equities

As of March 31, 2011

## Ratings and other definitions/identifiers

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**BUY.** We expect this stock to outperform the BSE Sensex by 10% over the next 12 months.

**ADD.** We expect this stock to outperform the BSE Sensex by 0-10% over the next 12 months.

**REDUCE.** We expect this stock to underperform the BSE Sensex by 0-10% over the next 12 months.

**SELL.** We expect this stock to underperform the BSE Sensex by more than 10% over the next 12 months.

Our target price are also on 12-month horizon basis.

### Other definitions

**Coverage view.** The coverage view represents each analyst's overall fundamental outlook on the Sector. The coverage view will consist of one of the following designations: **Attractive, Neutral, Cautious.**

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