

Demand is expected to be back, post Inventory normalizations.

CMP: INR 137

Rating: BUY

Target Price: INR 182

Stock Info

BSE	532374
NSE	STLTECH
Bloomberg	SOTL:IN
Reuters	STTE.NS
Sector	Cables
Face Value (INR)	2
Equity Capital (INR mn)	800
Mkt Cap (INR mn)	54,800
52w H/L (INR)	186 / 128
Avg Yearly Volume (in 000')	1,541

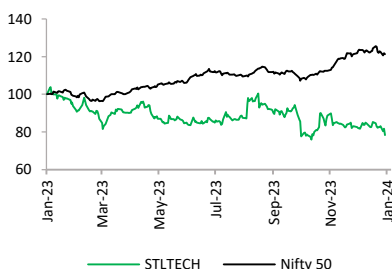
Shareholding Pattern %

(As on Dec, 2023)

Promoters	53.99
Public & Others	46.01

Stock Performance (%)	3m	6m	12m
STLTECH	-10.0	-7.8	-21.8
NIFTY	6.2	8.0	21.3

STLTECH vs Nifty



Abhishek Jain

abhishek.jain@arihantcapital.com
022-422548871

Balasubramanian A

bala@arihantcapital.com
022-67114780

Sterlite Technologies Ltd reported weak numbers, Q3FY24 revenue de-grew by 29.8% YoY (-11.5% QoQ) to INR 13,220mn, below our estimates of INR 16,217mn due to muted performance in Optical networking business. Gross Profit stood at INR 6,770mn (-29.9% YoY/-16.9% QoQ); below our estimates of INR 8,449mn. Gross margins contracted by 9 bps YoY (down by 334bps QoQ) to 51.2% vs 51.3% in Q3FY23. The raw material cost in terms of sales stood at 48.8% vs 48.7% in Q3FY23. EBITDA stood at INR 900mn (-62.8% YoY/-57.7% QoQ), below our estimates of INR 2,368mn. EBITDA margin contracted by 604 bps YoY (down by 745 bps QoQ) to 6.8% vs 12.9% in Q3FY23. EBITDA margin impact majorly from increase in employee costs in-terms of sales stood at 19.1% vs 13.5% in Q3FY23. PAT stood at INR -510mn vs INR 730mn below our estimates of INR 522mn. PAT margin contracted by 773 bps YoY (down by 560 bps QoQ) to -3.9% vs 3.9% in Q3FY23.

Key Highlights

Optical networking business remains under pressure due to inventories: Optical networking business revenue stood at INR 8,570mn (-42.3% YoY/-20.9% QoQ) due to lower volume on a QoQ basis. The volume de-growth is majorly attributed to international markets, especially North America. EBIT Stood at INR 1,040mn (-65.6% YoY/-50.7% QoQ). EBIT margin contracted by 819 bps YoY (down by 733 bps QoQ) to 12.1% vs 20.3% in Q3FY23. The anti-dumping duties have reduced OF and OFC exports from China to India. OFC realization remains steady despite decline in volumes. The company is focused on value added fibres and cables which helps to increase the realizations. The increase in optical interconnect attach rate (14% in Q3FY24) would improve the margins further. The inventory normalization would take another 4-6 months. The volume will improve from Q4FY24 onwards.

Global services business demerger is under progress: Global service business revenue stood at INR 4,050mn (+6.3% YoY/+8% QoQ); EBIT Stood at INR 220mn (+340% YoY/+4.8% QoQ). EBIT margin improved by 412 bps YoY (down by 17 bps QoQ) to 5.4% vs 1.3% in Q3FY23. The margin improvement is backed by favorable mix and improved execution. UK business is expected to be breakeven in Q4FY24E. In the Global services business, the company is very selective on order intake and execution. The company has filed an application with NCLT for global services business demerger and is waiting for 1st hearing. The company has received NOC from lenders and stock exchanges.

Digital and Technology solutions moving towards breakeven: Digital and technology solutions revenue stood at INR 800mn (+207.7% YoY/+2.6% QoQ); EBIT Stood at INR -120mn vs INR -340mn in Q3FY23. In digital business, the breakeven level is expected around INR 3.5bn to INR 4bn revenue levels and incremental revenue would reflect into an EBITDA margin. The company is targeting \$100mn with 10%-15% EBITDA margin over the next 2-3 years.

Strong order book leads to better business visibility: The order book stood at INR 98.49bn as of Q3FY24. Around INR 8.37bn is expected to execute in the next 3months and INR 90.13bn is expected to execute in FY25E and thereafter. STL digital order book stood at INR 7.8bn. The orders are executable in 3-5 years' time.

Outlook & Valuation: Sterlite Technologies has a strong order book (~1.6x of FY23 TTM revenue) and the BEAD & BharatNet Phase III program would lead to further opportunities. The inventory is expected to normalize in the next 4-6 months and optical networking business is expected to grow, post inventory liquidation in North American markets, and continue to maintain would come back to ~20% margins, and increasing the interconnect attach rate would improve the margins further. The selective order intake and execution will improve the global service business and the digital business is moving towards breakeven. We believe telecom capex for 5G and the upcoming 6G would provide business visibility. We have a "BUY" rating at a Target Price of INR 182 per share based on DCF; an upside of 33.2%.

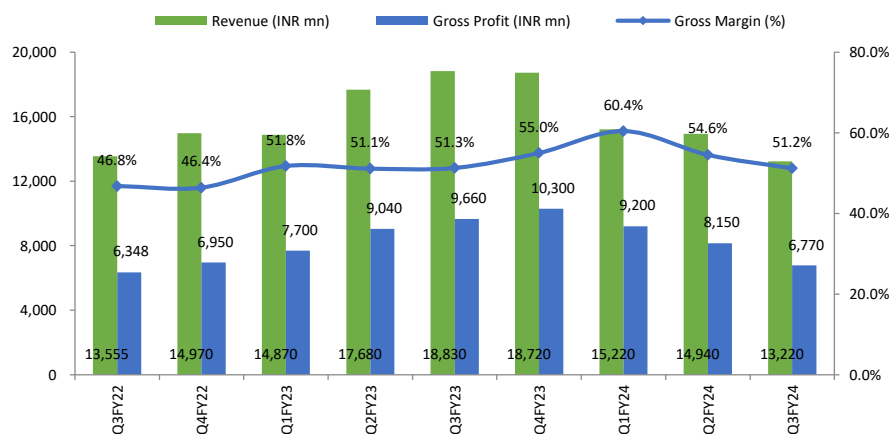
Q3FY24 Results

Income statement summary

Particular (INR mn)	Q3FY23	Q2FY24	Q3FY24	YoY (%)	QoQ (%)
Revenue	18,830	14,940	13,220	-29.8%	-11.5%
Net Raw Materials	9,170	6,790	6,450	-29.7%	-5.0%
Employee Cost	2,540	2,430	2,530	-0.4%	4.1%
Other Expenses	4,700	3,590	3,340	-28.9%	-7.0%
EBITDA	2,420	2,130	900	-62.8%	-57.7%
EBITDA Margin (%)	12.9%	14.3%	6.8%	-604 bps	-745 bps
Depreciation	780	850	840		
Interest expense	780	950	940		
Other income	90.0	30.0	190.0		
Share of profits associate & JV	10	20	10		
Profit before tax	960	380	(680)		
Taxes	230	120	(170)		
PAT	730	260	(510)	-169.9%	-296.2%
PAT Margin (%)	3.9%	1.7%	-3.9%	-773 bps	-560 bps
EPS (INR)	1.8	0.7	(1.3)		

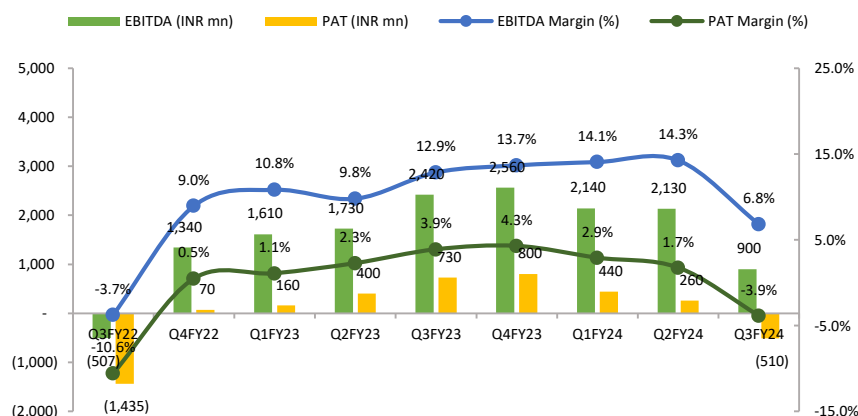
Source: Company Reports, Arihant Capital Research

Exhibit 1: Gross margins contracted by 9 bps YoY (down by 334bps QoQ) to 51.2% in Q3FY24 due to higher RM costs.



Source: Company Reports, Arihant Capital Research

Exhibit 2: EBITDA margin contracted by 604 bps YoY (down by 745 bps QoQ) to 6.8% in Q3FY24 due to higher employee costs and other expenses.



Source: Company Reports, Arihant Capital Research

Q3FY24 Concall Highlights

Revenue

- Revenue is expected to de-grow in FY24E.

Margin

- In the optical fibre business, material contribution margin is around 54%. The lower revenue impacted the margins.

Market share

- The market share stood at 9% in H1FY24 compared to 10% in H1FY23.

Capacity & Utilisation

- OFC capacity stood at 50mn fibre km and OF capacity stood at 42mn fibre km. The capacity utilisation stood at 50% as of 9MFY24. The recovery of US demand will improve the realization and the company is focused on other geographies in the short term.
- The company has invested around \$40mn to \$50mn in the US facility.

Inventory normalisation

- The inventory normalisation would take another 4-6 months. The volume will improve from Q4FY24 onwards.

Optical Networking business

- Optical networking business revenue stood at INR 8,570mn (-42.3% YoY/-20.9% QoQ) due to lower volume on a QoQ basis.
- The volume de-growth is majorly attributed to international markets, especially North America.
- The anti-dumping duties have reduced OF and OFC exports from China to India.
- OFC realisation remains steady despite decline in volumes. The company is focused on value added fibres and cables which helps to increase the realizations.

Services business

- In the Global services business, the company is very selective on order intake and execution. The margin improvement is backed by favourable mix and improved execution.
- The company has filed an application with NCLT for global services business demerger and is waiting for 1st hearing. The company has received NOC from lenders and stock exchanges.
- UK business is expected to be breakeven in Q4FY24E.

Digital business

- In digital business, the company is targeting \$100 mn with 10%-15% EBITDA margin over the next 2-3 years. The breakeven level is expected around INR 3.5bn to INR 4bn revenue levels and incremental revenue would reflect into an EBITDA margin.
- STL digital order book stood at INR 7.8bn. The orders are executable in 3-5 years' time.
- The company has strategic partnerships with SAP & Google and has more than 46 active technology partners.

Order book

- The order book stood at INR 98.49bn as of Q3FY24. Around INR 8.37bn is expected to execute in the next 3months and INR 90.13bn is expected to execute in FY25 and thereafter.

Q3FY24 Concall Highlights

Optical connectivity attach rate

- Optical connectivity attach rate increased from 10% (FY23) to 14% in Q3FY24. The company will continue to commercialize new products and will improve the attach rate further going forward.

Debt

- The company has reduced net debt of INR 1.74bn over the period of FY23-Q3FY24. The company is further targeting to reduce INR 0.5bn to INR 0.75bn in Q4FY24E.
- The long term debt stood at INR 13bn and net debt stood at INR 29.47bn

Fund-raising

- The company is enabling resolution of fund raise upto INR 20bn and evaluating options.

Employee cost

- The increase in employee cost due to one of INR 120mn to INR 130mn. The company has paid some exclusive payments.

Cost rationalisation

- The company is focused on INR 1bn to INR 1.5bn cost rationalization over next 3-4 quarters.

Bharat Net and BEAD

- The BharatNet phase III draft RFP released for industry consultation. The program is estimated at INR 1,390bn.
- Around \$42bn investments under BEAD program and 20% allocation is expected to be immediately in phase I. The orders are expected from Q3CY24 onwards.

Red Sea impact

- The company has witnessed slight delays in shipments to Europe and slight price increases due to the Red sea.

Other highlights

- In the Maharashtra project, the company is in litigation for collections.
- The company has covering 37%-40% tower fiberization and 70%-80% good 5G network coverage
- The company is continuing to grow by increasing optical fibre business, cable market share and increase in optical connectivity attach rate.
- The company continues to consolidate global services business in select segments and focused on achieving profitability in UK business.
- The company is focused on net zero emission by 2030.
- The company has the brand of "Estelan" and sells to enterprises in India and the Middle east. The company is witnessing opportunities in Oil & Gas sectors, where lower volumes and higher values.
- The company is witnessing opportunities for fibre optics and inter-connects between data centers.

Outlook & Valuation

Sterlite Technologies has a strong order book (~1.6x of FY23 TTM revenue) and the BEAD & BharatNet Phase III program would lead to further opportunities. The inventory is expected to normalize in the next 4-6 months and optical networking business is expected to grow, post inventory liquidation in North American markets, and continue to maintain would come back to ~20% margins, and increasing the interconnect attach rate would improve the margins further. The selective order intake and execution will improve the global service business and the digital business is moving towards breakeven. We believe telecom capex for 5G and the upcoming 6G would provide business visibility. We have a "BUY" rating at a Target Price of INR 182 per share based on DCF; an upside of 33.2%.

DCF Valuation

Valuation Assumptions

g (World Economic Growth)	3%
Rf	7%
Rm	14%
Beta	1.2
CMP	137

Valuation Data

Total Debt (long term borrowings) (2023)	16,809
Cash & Cash Equivalents (2023)	5,296
Number of Diluted Shares (2023)	400
Tax Rate (2024)	27%
Interest Expense Rate (2024)	10%
MV of Equity	54,800
Total Debt	16,809
Total Capital	71,609

WACC

We	76.5%
Wd	23.5%
Ke	14.8%
Kd	6.9%
WACC	12.9%

FCFF & Target Price

FCFF & Target Price Particular (INR mn)	Explicit Forecast Period						Linear Decline Phase					Terminal Yr
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
EBIT * (1-Tax Rate)	2,442	4,143	4,969	5,748	6,820	8,312	9,868	11,406	12,825	14,017	14,878	15,324
Dep	3,307	3,400	3,489	3,543	3,598	3,652	4,336	5,012	5,636	6,159	6,538	6,734
Purchase of Assets	(2,845)	(2,917)	(884)	(917)	(924)	(922)	(1,095)	(1,266)	(1,423)	(1,555)	(1,651)	(1,700)
Changes in Working Capital	3,651	(2,504)	(1,511)	(2,398)	(1,550)	(1,474)	(3,454)	(3,992)	(4,489)	(4,906)	(5,207)	(5,364)
FCFF	6,555	2,122	6,063	5,976	7,943	9,568	9,656	11,161	12,549	13,715	14,558	14,995
Terminal Value												1,51,199
Total Cash Flow	6,555	2,122	6,063	5,976	7,943	9,568	9,656	11,161	12,549	13,715	14,558	165,756

Enterprise Value (INR mn)	84,485
Less: Debt (INR mn)	16,809
Add: Cash (INR mn)	5,296
Equity Value (INR mn)	72,972
Equity Value per share (INR)	182

% Returns 33.3%

Rating BUY

Sensitivity Analysis

		Terminal Growth (%)								
		2.0%	2.3%	2.5%	2.8%	3.0%	3.3%	3.5%	3.8%	4.0%
WACC (%)	11.8%	199	203	208	212	217	222	227	232	238
	12.0%	193	196	200	204	208	213	218	223	228
	12.3%	186	189	193	197	201	205	210	214	219
	12.5%	180	183	186	190	194	198	202	206	211
	12.8%	174	177	180	183	187	190	194	198	203
	13.0%	168	171	174	177	180	184	187	191	195
	13.3%	163	165	168	171	174	177	181	184	188
	13.5%	158	160	163	165	168	171	175	178	181
	13.8%	153	155	158	160	163	166	169	172	175

Source: Company reports, Arihant Capital Research

Financial Statements

Income statement summary

Y/e 31 Mar (INR mn)	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue	51,544	48,252	57,543	69,250	57,767	68,848	73,663
Net Raw Materials	24,675	23,949	28,646	32,990	26,266	32,152	34,401
Employee Cost	6,298	6,474	8,707	9,120	9,864	10,189	10,681
Other Expenses	9,878	9,722	14,842	18,240	14,985	17,432	18,286
EBITDA	10,693	8,107	5,348	8,900	6,652	9,075	10,296
EBITDA Margin (%)	20.7%	16.8%	9.3%	12.9%	11.5%	13.2%	14.0%
Depreciation	(2,903)	(2,853)	(3,255)	(3,090)	(3,307)	(3,400)	(3,489)
Interest expense	(2,121)	(2,030)	(2,414)	(3,110)	(3,739)	(3,553)	(3,384)
Other income	254	430	593	410	549	646	627
Profit before tax	5,416	3,802	482	3,150	155	2,769	4,050
Taxes	(1,089)	(1,113)	(147)	(840)	(104)	(748)	(1,094)
PAT	4,327	2,690	334	2,310	51	2,021	2,957
PAT Margin (%)	8.4%	5.6%	0.6%	3.3%	0.1%	2.9%	4.0%
Other Comprehensive income	(367)	415	107	(140)	-	-	-
Net profit	3,961	3,105	441	2,170	51	2,021	2,957
EPS (INR)	10.7	6.8	0.8	5.8	0.1	5.1	7.4

Source: Company Reports, Arihant Capital Research

Balance sheet summary

Y/e 31 Mar (INR mn)	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity capital	808	793	796	800	800	800	800
Reserves	18,390	19,081	18,771	20,110	20,146	21,561	23,630
Net worth	19,198	19,874	19,567	20,910	20,946	22,361	24,430
Minority Interest	1,032	981	857	40	40	40	40
Provisions	109	110	253	660	158	189	202
Debt	33,033	35,279	37,857	41,030	38,430	36,370	34,870
Other non-current liabilities	1,190	1,567	1,303	980	867	1,033	1,105
Total Liabilities	54,561	57,811	59,837	63,620	60,441	59,992	60,647
Fixed assets	28,403	27,828	28,554	28,540	28,023	27,469	25,466
Capital Work In Progress	1,328	2,272	1,424	1,290	1,345	1,417	814
Other Intangible assets	975	991	1,866	1,670	1,670	1,670	1,670
Goodwill	1,218	2,921	2,960	2,250	2,250	2,250	2,250
Investments	1,152	1,319	1,096	1,070	867	1,033	1,105
Other non current assets	965	569	1,695	1,740	1,329	1,584	1,473
Net working capital	15,216	17,251	15,849	20,410	16,759	19,263	20,774
Inventories	4,518	6,264	9,202	8,320	7,052	8,280	8,482
Sundry debtors	15,631	14,514	17,065	18,220	15,510	18,297	19,576
Loans & Advances	366	148	45	30	231	275	295
Other current assets	12,230	19,240	17,151	18,870	16,460	18,108	19,173
Sundry creditors	(14,303)	(19,437)	(24,200)	(21,520)	(19,606)	(22,599)	(23,437)
Other current liabilities & Prov	(3,226)	(3,479)	(3,413)	(3,510)	(2,888)	(3,098)	(3,315)
Cash	2,445	2,484	5,296	5,070	6,754	3,587	5,327
Other Financial Assets	2,858	2,177	1,096	1,580	1,444	1,721	1,768
Total Assets	54,561	57,811	59,837	63,620	60,441	59,992	60,647

Source: Company Reports, Arihant Capital Research

Du-Pont Analysis

Y/e 31 Mar	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Tax burden (x)	0.8	0.7	0.7	0.7	0.3	0.7	0.7
Interest burden (x)	0.7	0.7	0.2	0.5	0.0	0.5	0.6
EBIT margin (x)	0.2	0.1	0.0	0.1	0.1	0.1	0.1
Asset turnover (x)	0.8	0.7	0.7	0.9	0.7	0.9	0.9
Financial leverage (x)	3.6	3.5	3.9	4.0	3.8	3.6	3.4
RoE (%)	23.8%	13.8%	1.7%	11.4%	0.2%	9.3%	12.6%

Source: Company Reports, Arihant Capital Research

Financial Statements

Cashflow summary

Y/e 31 Mar (INR mn)	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Profit before tax	5,416	3,802	482	3,150	155	2,769	4,050
Depreciation	2,903	2,853	3,255	3,090	3,307	3,400	3,489
Tax paid	(1,089)	(1,113)	(147)	(840)	(104)	(748)	(1,094)
Working capital Δ	(3,539)	(2,034)	1,401	(4,561)	3,651	(2,504)	(1,511)
Change in Goodwill	(144)	(1,703)	(40)	710	-	-	-
Operating cashflow	3,547	1,805	4,951	1,550	7,010	2,917	4,935
Capital expenditure	(5,264)	(3,222)	(3,133)	(2,942)	(2,845)	(2,917)	(884)
Free cash flow	(1,718)	(1,417)	1,818	(1,392)	4,164	0	4,051
Equity raised	(834)	(687)	29	(990)	0	-	-
Investments	(463)	(167)	223	26	203	(166)	(72)
Others	(2,196)	1,062	(920)	(333)	547	(532)	64
Debt financing/disposal	6,624	2,246	2,578	3,173	(2,600)	(2,060)	(1,500)
Dividends paid	(1,411)	(1,378)	(794)	(794)	(15)	(606)	(887)
Other items	107	378	(121)	84	(615)	197	85
Net Δ in cash	109	38	2,812	(226)	1,684	(3,168)	1,740
Opening Cash Flow	2,337	2,445	2,484	5,296	5,070	6,754	3,587
Closing Cash Flow	2,445	2,484	5,296	5,070	6,754	3,587	5,327

Source: Company Reports, Aриhant Capital Research

Ratio analysis

Y/e 31 Mar	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Growth matrix (%)							
Revenue growth	1.3%	-6.4%	19.3%	20.3%	-16.6%	19.2%	7.0%
Op profit growth	-5.1%	-24.2%	-34.0%	66.4%	-25.3%	36.4%	13.5%
Profitability ratios (%)							
OPM	20.7%	16.8%	9.3%	12.9%	11.5%	13.2%	14.0%
Net profit margin	8.4%	5.6%	0.6%	3.3%	0.1%	2.9%	4.0%
RoCE	13.4%	7.5%	3.3%	7.6%	2.1%	7.8%	9.2%
RoNW	23.8%	13.8%	1.7%	11.4%	0.2%	9.3%	12.6%
RoA	7.9%	4.7%	0.6%	3.6%	0.1%	3.4%	4.9%
Per share ratios (INR)							
EPS	9.8	7.8	1.1	5.4	0.1	5.1	7.4
Dividend per share	3.5	3.5	2.0	2.0	0.0	1.5	2.2
Cash EPS	17.9	14.0	9.0	13.5	8.4	13.6	16.1
Book value per share	47.5	50.1	49.2	52.3	52.4	55.9	61.1
Valuation ratios (x)							
P/E	14.0	17.5	123.6	25.3	1,065.2	27.1	18.5
P/CEPS	7.7	9.8	15.2	10.1	16.3	10.1	8.5
P/B	2.9	2.7	2.8	2.6	2.6	2.5	2.2
EV/EBITDA	7.9	10.6	16.1	10.1	12.9	9.5	8.1
Payout (%)							
Dividend payout	32.6%	51.2%	237.5%	34.4%	30.0%	30.0%	30.0%
Tax payout	20.1%	29.3%	30.6%	26.7%	66.8%	27.0%	27.0%
Liquidity ratios							
Debtor days	103	114	100	93	107	90	94
Inventory days	77	82	99	97	107	87	89
Creditor days	149	153	153	138	147	129	133
WC Days	31	43	46	52	67	48	50
Leverage ratios (x)							
Interest coverage	3.7	2.6	0.9	1.9	0.9	1.6	2.0
Net debt / equity	1.6	1.7	1.7	1.7	1.5	1.5	1.2
Net debt / op. profit	2.9	4.0	6.1	4.0	4.8	3.6	2.9

Source: Company Reports, Aриhant Capital Research

Story in Charts

Exhibit 3: Revenue is expected to de-grow in FY24 due to inventories in North American Markets and expected to normalize in the 4-6 months.

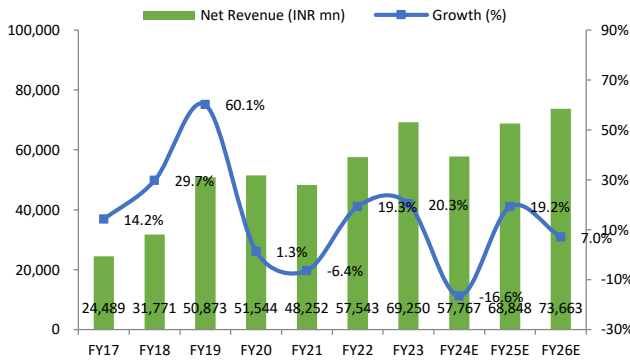


Exhibit 4: Gross margins would maintain above 50% going forward.

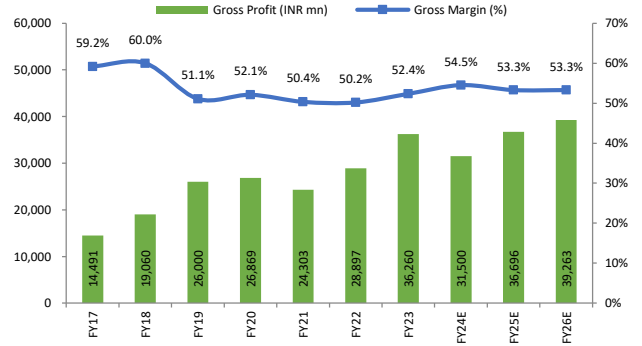


Exhibit 5: Growth in EBITDA & PAT levels

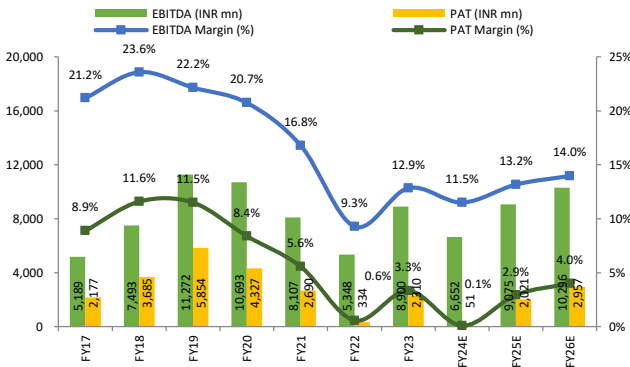


Exhibit 6: Return ratios to be improve

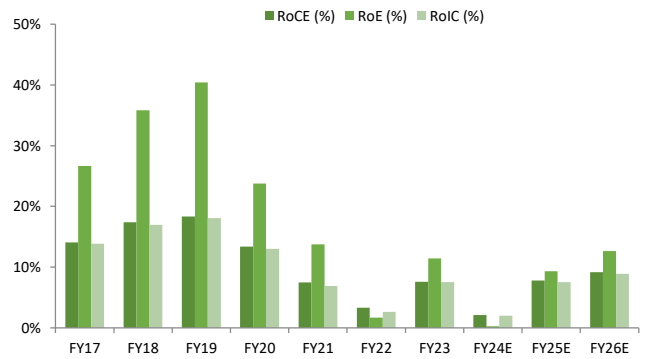


Exhibit 7: Working capital days to be improve

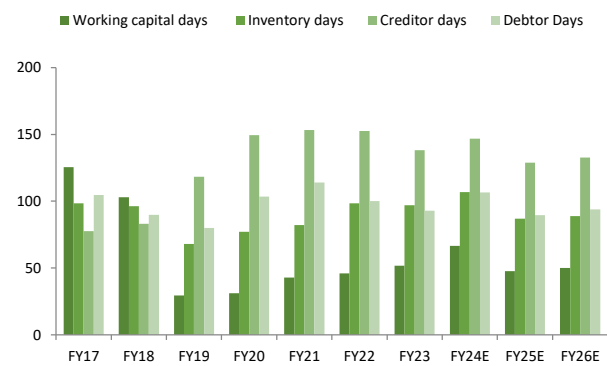
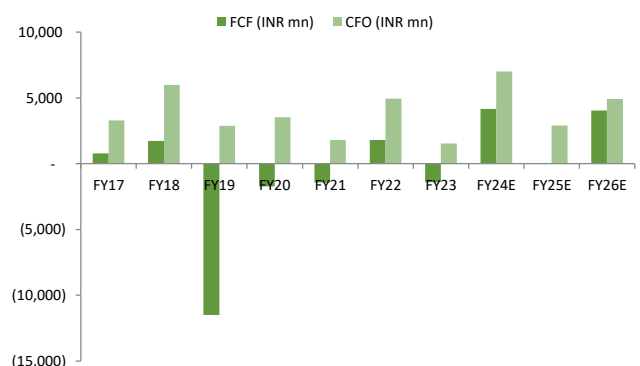


Exhibit 8: Cash flows to be improve



Source: Company reports, Arianth Capital Research

Story in Charts

Exhibit 9: Working capital in-terms of sales is expected to maintain going forward.

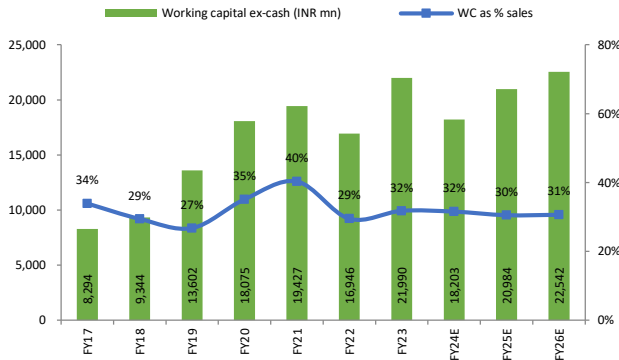


Exhibit 10: Interest cost as % of EBIT is expected to reduce going forward.

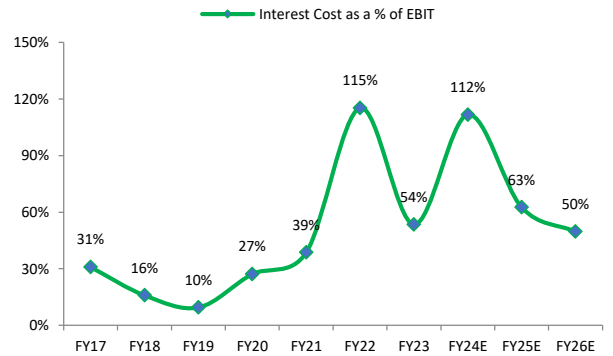


Exhibit 11: The inventory build-up in North America is expected to liquidate in the next 4-6 months. Post that, Optical networking business is expected to pick-up.

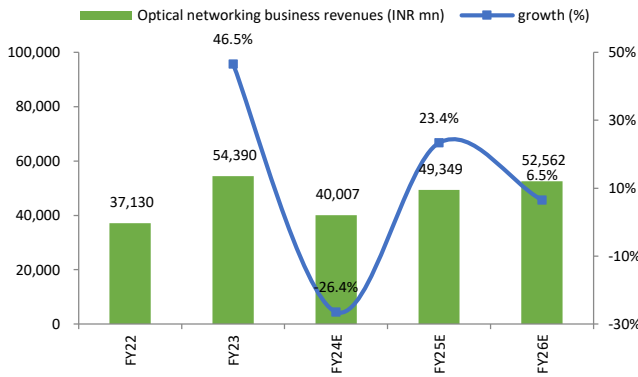


Exhibit 12: Selective order intake and execution will improve global service business going forward.

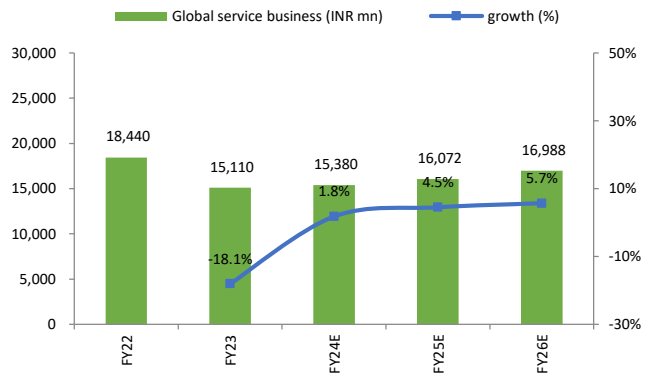


Exhibit 13: Digital and Technology solutions has strong order book of INR 7.8bn shows potential revenue visibility.

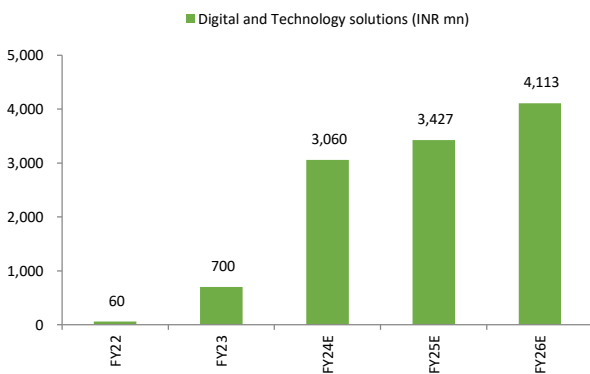
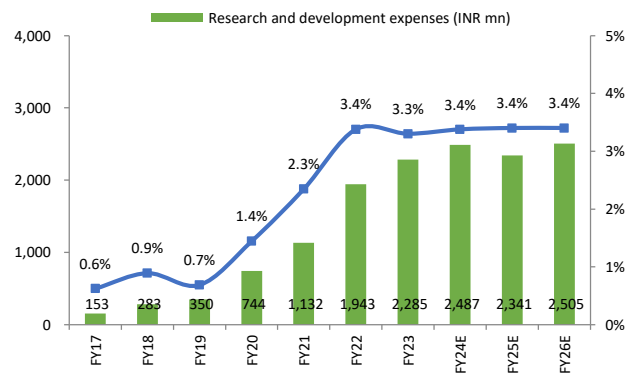


Exhibit 14: R&D expenses are expected to be 3.3%-3.4% of sales going forward.



Source: Company reports, Arianth Capital Research

Story in Charts

Exhibit 15: Inventory piled-up at telcos, distributor levels lowered order inflows in Q3FY24.

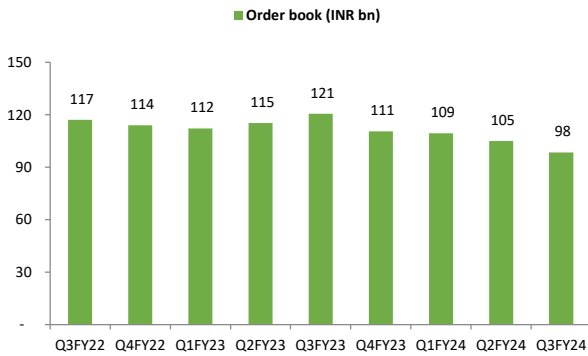


Exhibit 16: Optical networking margins were lowered in Q3FY24 due to lower revenue. Increase in interconnect attach rate would improve the margins going forward.

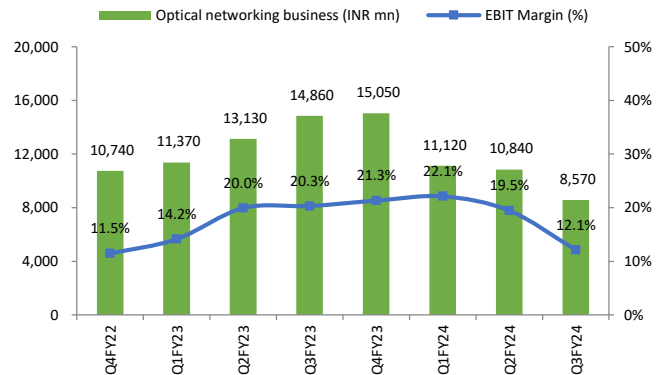


Exhibit 17: Global services margins are expected around 8% going forward.

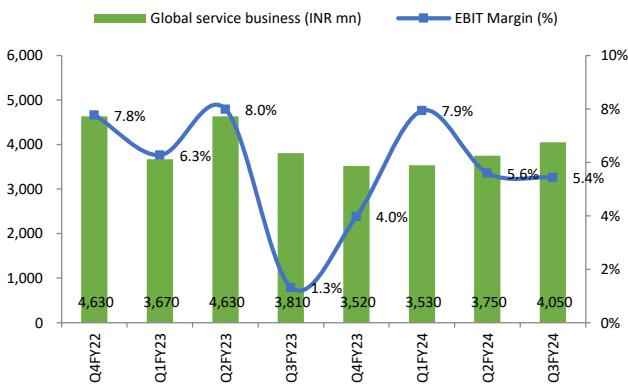


Exhibit 18: Digital and Technology services are moving towards to breakeven.

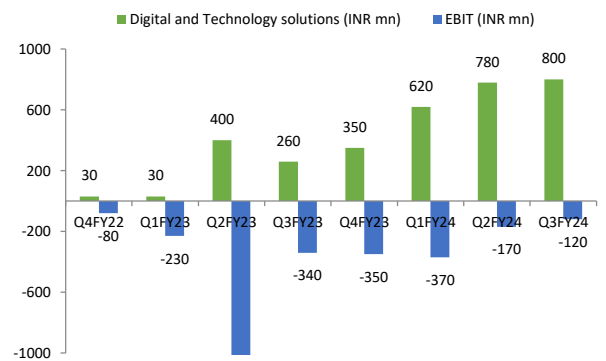


Exhibit 19: Employee cost is expected to be normalise going forward.

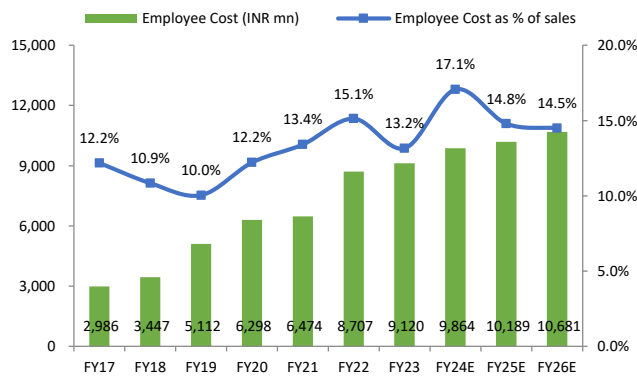
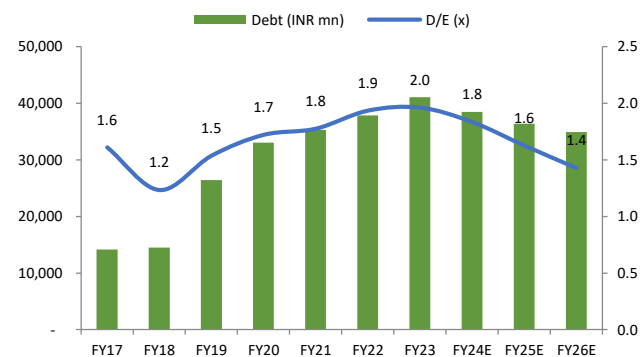


Exhibit 20: Post capex, debt is expected to reduce gradually going forward.



Source: Company reports, Arianth Capital Research

Arihant Research DeskEmail: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park Building No. 10, 1 st Floor Andheri Ghatkopar Link Road Chakala, Andheri (E) Mumbai – 400093 Tel: (91-22) 42254800 Fax: (91-22) 42254880	Arihant House E-5 Ratlam Kothi Indore - 452003, (M.P.) Tel: (91-731) 3016100 Fax: (91-731) 3016199

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	www.arihantcapital.com	instresearch@arihantcapital.com

Disclaimer: This document has been prepared by Arihant Capital Markets Ltd. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Arihant may trade in investments, which are the subject of this document or in related investments and may have acted upon or used the information contained in this document or the research or the analysis on which it is based, before its publication. This is just a suggestion and Arihant will not be responsible for any profit or loss arising out of the decision taken by the reader of this document. Affiliates of Arihant may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. No matter contained in this document may be reproduced or copied without the consent of the firm.

Arihant Capital Markets Ltd.
1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800 Fax. 022-42254880