RETAIL EQUITY RESEARCH

NITIN FIRE

Industrial Machinery

BSE CODE:532854 **NSE CODE:** NITINFIRE
Bloomberg CODE:NFPI IN **SENSEX:** 25,962

BUY

CMP Rs73.5 **TARGET** Rs100 **RETURN** 36%

7th July, 2014

All Geared To Fire-Up...

Nitin Fire Protection Industries Ltd (NFPIL) is one among the top five companies engaged in providing end-to-end solutions in fire protection and solution in India. The business has expanded by 33% during FY09-FY14 aided by capex in Oil & Gas, Telecom and IT sectors in India and ME. As India is in the cusp of getting back to a higher growth trajectory, NFPIL would be a proxy play benefitting from the revival in CAPEX. Further, NFPIL's ME operation, composing 50% of consolidated top-line, has exhibited robust growth and is expected to do well post Dubai winning the bid to host EXPO 2020. We factor consolidated top-line to grow to Rs17,468mn by FY16E, representing growth of 31% CAGR post FY14. A recuperating domestic economy and NFPIL's ability to sustain margins in its ME operation, makes case for margin to marginally improve in FY15E and FY16E. Given its unique model and liquidity premium, we believe NFPIL will continue to get high relative valuation in mid-cap space. We initiate with a BUY rating, valuing at P/E of 18x.

Prominent player... domestic revival to help...

NFPIL is one among the top five players in India. It has three decades of presence in Fire industry and served marquee clients across Oil & Gas, IT and Telecom sectors. Over FY09-FY14, standalone business grew by 49% CAGR. Though top-line expanded, margins were lower due to domestic slowdown and compiling the standalone financials to A.S 7. We believe, from here on there is a case for margins to improve at the standalone level, as Indian economy gets back to its high growth trajectory. We factor standalone revenues to grow by 27% CAGR and margin to improve by 10bps and 20bps in FY15E and FY16E respectively from FY14 levels, consequently taking standalone PAT to improve by 25% and 36% to Rs192mn and Rs261mn, in FY15E and FY16E.

Middle East operations to gain momentum...

Middle-East (ME), contributing 50% to the top-line, has posted robust business growth of 37% CAGR over the last three years. Further, Dubai's win to host EXPO 2020 and the injection of +$30bn in to the economy for associated preparation are expected to add further impetus to fire protection demand until 2019. We have factored 37% CAGR over FY14-FY16. Average PBT margins are expected to be in the vicinity of 10-11%. As ME, being a tax-free zone, any improvements at the PBT level would be highly beneficial to NFPIL's bottom-line.

Valuations

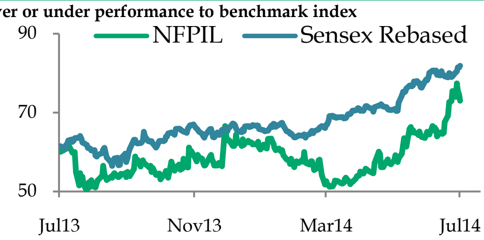
At CMP of Rs73.5, NFPIL trades at P/E of 18x and 13x on FY15E and FY16E earnings. Given its unique model and liquidity premium, we believe NFPIL will continue to get high relative valuation in mid-cap space. We value the stock at P/E of 18x its FY16E EPS and rate the stock **BUY.**

Company Data	
Market Cap (mn)	Rs16,211
Enterprise Value (mn)	Rs20,035
Outstanding Shares (mn)	219.2
Free Float	30%
Dividend Yield	0.3%
52 week high	Rs89.0
52 week low	Rs48.5
6m average volume (mn)	0.8
Beta	0.5
Face value	Rs.2

Shareholding %	**Q2 FY14**	**Q3 FY14**	**Q4 FY14**
Promoters	71.85	71.73	71.85
FII's	13.49	13.92	13.81
MFs/Insti	0.00	0.00	0.01
Public	3.36	3.16	3.32
Others	11.74	11.19	11.01
Total	100.0	100.0	100.0

Price Performance	**3mth**	**6mth**	**1 Year**
Absolute Return	34.9%	20.3%	20.1%
Absolute Sensex	16.2%	25.5%	33.8%
Relative Return*	16.1%	-4.1%	-10.2%

*over or under performance to benchmark index



Y.E Mar (Rsbn)	**FY14**	**FY15E**	**FY16E**
Sales	10.2	13.0	17.5
Growth (%)	*44*	*28*	*34*
EBITDA	1.1	1.5	2.0
Growth (%)	*45*	*29*	*36*
PAT Adj	0.7	0.9	1.2
Growth (%)	*25*	*23*	*37*
Adj.EPS	3.3	4.0	5.5
Growth (%)	*26*	*23*	*37*
P/E	22.6	18.3	13.3
P/B	4.3	3.5	2.8
EV/EBITDA	17.6	14.0	10.5
RoE (%)	*20.7*	*21.3*	*23.6*
D/E	1.1	1.0	0.8

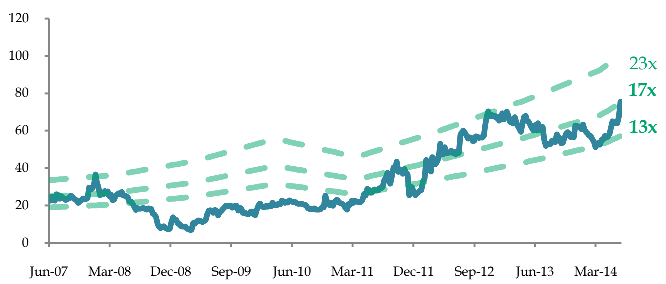
Jose T. Muricken
Analyst

Vinod Nair
Head of Equity Research

Valuations

NFPIL has less than 10yrs listed history and traded at an average of 13x Fwd P/E. Supported by a growing domestic economy, NFPIL earnings grew by 29% CAGR in its earliest years during FY07-FY11. Despite exhibiting descent performance, valuation hovered at 10x largely due to company being young and also due to the impact of global turmoil on Indian markets. In FY11-FY14, NFPIL managed to more than double its top-line to Rs10,161mn. Though top-line growth was commendable, earnings growth was limited to 10% CAGR on account of lower margins in domestic business and A.S 7 compliance. During the depressed periods, market assigned higher P/E on the expectation of a revival in business prospects.

P/E-Price Band



Source: Company, Geojit BNP Paribas Research.

Going by past trend, we believe NFPIL would continue to be valued at 18x (also its two year average valuation), as market is likely to reward the benefits of a recuperating domestic economy and better ME prospects, on the bottom-line. We factor bottom-line to grow at 30% CAGR over FY14-FY16E.

Further, given its unique model and liquidity premium, we believe NFPIL will continue to augment high relative valuation in mid-cap space. The case for market to assign NFPIL a multiple of 18x is justified, unless any negative surprises arise.

Holdings	FY12	FY13	FY14
Promoter	71.3%	71.4%	71.9%
Institutions	14.3%	14.0%	13.8%
Public	14.4%	14.6%	14.3%

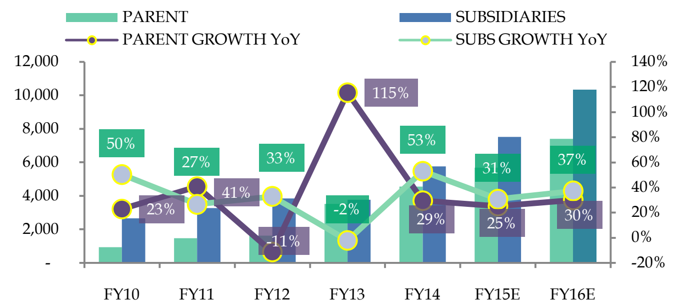
Source: BSE

We value the company at 18x its 1Yr Fwd P/E over its FY16E earnings of Rs5.5 and recommend buy with a TP of Rs100.

Investment Rationale

NFPIL business has grown at 33% CAGR over FY09-FY14. Amidst a tough environment both domestically and globally, the company has performed reasonably well at the top-line.

Top-line growth.

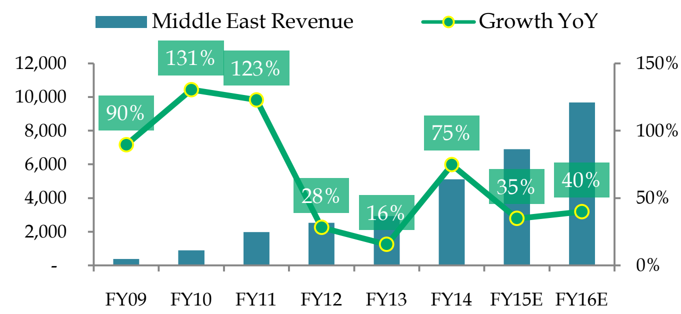


Source: Company, Geojit BNP Paribas Research.

Robust growth in Middle East operations....

In FY14, Middle East operations contributed 50% (P.Y 42%) of the consolidated sales. Further, much of the group's top-line growth was delivered by the impressive growth posted in its Middle East operation. Nitin Ventures UAE along with its subsidiary New Age Co, has clocked 68% CAGR over FY09-FY14. Though the slowdown has impacted the pace of growth in FY12-13, overseas operation in Middle East has reported 75% YoY growth in FY14, primarily due to the low base effect and also due to a recuperating economy. Towards the end of 2013, we saw Dubai winning the bid to host EXPO 2020. The ongoing preparations are expected to continue until 2019 and expected injection to the economy would be +$30bn. This, we believe, can add further momentum to the robust growth in Middle East operations. We have factored growth of 37% CAGR over FY14-FY16.

Middle East business growth (Rsmn)



Source: Company, Geojit BNP Paribas Research.

Domestic Operation's revival on cards...

Standalone business saw a growth of 49% CAGR over FY09-FY14 and constitutes 45% (P.Y 50%) of group's revenue. Much of the revenue is generated from turnkey projects accounting about 55% (FY14) of domestic sales. Largely the growth was driven by capex from Oil & gas, Telecom and the IT sector. Together, these sectors have contributed about 60% to the top-line in the past 3 years. NFPIL's products are employed in Data centres, switch rooms, Base transceiver stations (BTS) and Base Station Controller (BSC). NFPIL have taken the lead in offering the niche products to clients in the telecom and IT space like NSE, NSDL, BSE, Vodafone, Dishnet, Aircel, Idea etc and also among petrochemical majors.

Despite FY13's large base, the parent company reported top-line growth of 29% YoY in FY14. We feel the growth is commendable considering the precarious domestic economic situation. NFPIL has taken up turnkey projects across India, including oil and gas projects in North-East and Chennai Metro in South. The distribution business is confined to major markets in North, West and East of India. In FY14, exports from domestic operations grew 27% to ~Rs1,800mn. This includes actual exports to South East Asia and deemed exports.

The new government have added further momentum to stalled projects. Earliest indications for domestic economic environment taking a positive trajectory from here seems likely, but how the new government could tackle issues and revive investment climate on a sustainable basis, remains to be seen. As we are in the cusp of a major change in the economic environment, we believe, that NFPIL's H1FY15E performance would weigh high for an upward revision to our growth expectations. We factor 25% and 30% revenue growth in FY15E and FY16E vs. 29% growth reported in FY14. Management intends to continue top-line growth of 30%-40%.

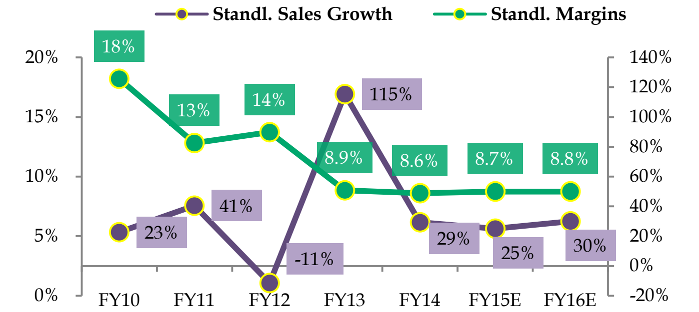
Margin improvement likely.....

At the consolidated level, operating margins have been impacted primarily by domestic operation.

Domestic operation suffered partially from the aggressive expansion, at the cost of margin and also on account of compiling the standalone financials to A.S 7 in respect of revenue recognition of composite contracts. As standalone business has 40-50% import composition (FY14), rupee depreciation also played spoil sport.

Operating margins, at the standalone level have dipped by 510bps to 9% in FY13 compared to its three year average and further by 30bps in FY14. We believe that a revival to double digits would take time, given the rate at which top-line expands. Consequently, we have factored margins of 8.7% and 8.8% in FY15E and FY16E v/s 8.6% in FY14. That said, management expressed confidence of margins moving into double digits for this fiscal.

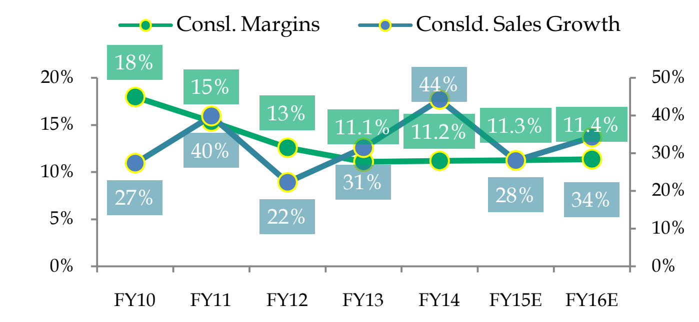
Standalone Margins



Source: Company, Geojit BNP Paribas Research.

In FY14, Middle East margins eroded by 300bps from 14% in FY13. Post the commencement of the new manufacturing facility and considering additional capex to feed Middle East demand, average PBT margins are expected to be in the vicinity of 10-11% for FY15E and FY16E. As Middle East being a tax-free zone, any improvements at the PBT level would be highly beneficial to NFPIL's bottom-line. In FY14, the company has commenced its European distribution business. We haven't factored the contribution to top-line and margins, as its early and any meaningful contribution can only be expected by FY16E.

Consolidated Margins



Source: Company, Geojit BNP Paribas Research.

So at the group level, our assumption basis for better performance on the margin front are; domestic operational margins to slowly revive from FY15E onwards and Middle East not giving us any negative surprises. Consolidated margins are projected to improve to 11.3% and 11.4% in FY15E and FY16E v/s 11.2% in FY14.

Growth Drivers

Domestic opportunity Aplenty...

Going forward, the new government at the centre can bring decisive changes to revive the fortunes in telecom sector. This can bring in more investments, aiding players in Fire protection and security solutions. Also, recuperating developed economies are likely to spur demand for office spaces from the IT sector.

Capex by Oil and Gas Industry ... the major driver...

Large investments from ministry of petroleum, in Oil and gas industry are expected to be at USD45bn in next few years, considering clarity to policy and pricing are implemented. This would translate to USD2bn opportunity for the fire protection and security solution industry. Given the past track record and its client list involving most of the petrochemical majors in India, NFPIL is likely to be a major beneficiary.

Based on a recent Knight Frank report, real estate stake holders are markedly bullish about the business sentiments to improve. Sentiments have improved among developers in the North, West and Southern markets of India. These happen to be the stronghold of NFPIL. As per industry estimates, rentals in most major cities are likely to bottom out from current levels. That would reflect higher demand for office space.

Given that, NFPIL could register strong growth amidst a tough economic environment, we believe, that NFPIL's H1FY15E performance would weigh high for an upward revision to our growth expectations. We factor 25% and 30% in FY15E and FY16E.

Proven track record and International approvals in kitty

We see NFPIL is at a sweet spot as it holds the highest number of International approvals compared to its peers and that could make it a likely candidate for consideration among prospective client's from Oil & Gas, IT and Telecom space, both in India and abroad.

NFPIL has close to 60 international certifications from Loss Prevention Control Board U.K (LPCB, Underwriters Laboratories U.S (UL), Factory Mutual (U.S) etc. Most of the certifications are U.K and U.S approved. As per Industry estimates, the global market is valued at USD100bn and largest market being U.S The certifications can help NFPIL's vision to expand to European markets, North America and CIS countries. On a Pan India basis, NFPIL has done about 5000 direct installations and 20,000 indirect installations. It has a record of executing large scale fire protection system installation projects and is an able contender for customised solution. As a boost to office space demand is likely, NFPIL's candidature is high, as there is strong trend to go for efficient and modern building management systems and fire protection systems.

Further, The Directorate of Maharashtra Fire Services had granted NFPIL the license to conduct audits and inspection. We believe, NFPIL's AMC service would benefit from this law, albeit at a slower pace, given the state of economy and industry in general.

Marquee clients in India and abroad

The company has a track record of at least two decades and have been associated with prestigious projects both in India and abroad. NFPIL has catered to clients like Tata, IOC, BPCL, ONGC, IBM, Indian navy, BHEL, Pfizer, NTPC etc in the recent past. Aided by its tie-ups with international players, NFPIL has a strong portfolio of products and has delivered the promised end-to-end solutions to customers from various industries. The recent order from Reliance's Jamnagar facility is an example.

Further its efforts in Middle East have yielded execution of prestigious projects. A high value project at Al Meydan Race Course in Dubai stands as a strong example. Further, we believe that the strong relationship maintained with major players, can bring in incremental revenues from replacement demand.

Company profile

Nitin Fire Protection Industries Ltd is an established player engaged in the business of fire protection systems, suppression systems and building management systems. The company was promoted by Mr. Nitin Shah. It provides end-to-end solutions in the area of fire protection, suppression and building management systems. NFPIL does turnkey projects and also sells products like fire extinguishers, detectors and control panels, water and foam monitors and other fire fighting accessories. The fire protection systems are sold under the brand NITIE.

The IPO

The Co got listed in June, 2007 as the IPO collected funds to the tune of Rs644mn. The fund collected, was initially allocated to Nitin Cylinders Ltd for building the high pressure CNG cylinder plant located at Vishakapatnam. Those days, the company was into 'fire protection & security solutions' and also in manufacturing cylinders. As the manufacturing cylinder business faced stiff competition and was a low margin business (~2-4%), Nitin Cylinders took losses. Management responded to the stiff competition by inviting world leader Worthington (U.S), by selling its 60% stake for USD21mn to form a 60:40 joint venture. Presently the J.V forms as an associate company under NFPIL. The co: had initially invested Rs720mn in Nitin Cylinders, of which 60% stake sale raked more than Rs900mn. We believe management's strategy to defocus from manufacturing CNG cylinders was a good move as the industry is plagued with over supply. The share of loss from the venture during FY11-FY13 totalled Rs108mn. In Q4FY14, management has recognised the venture as a 'held for sale asset'. That said, the company stills deals with industrial cylinders through their subsidiary - Eurotech Ltd.

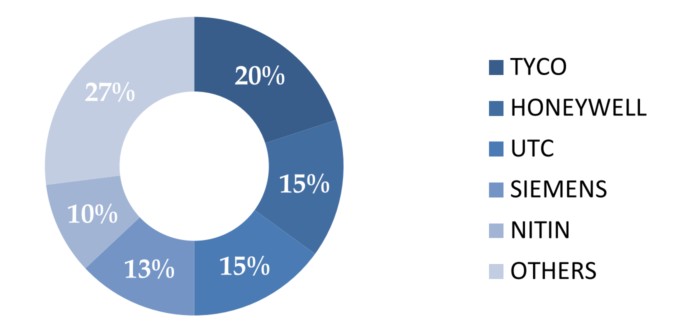
Revenue Profile

The company derives 68% of its revenue from providing turnkey solutions involving Fire detection systems, Gas suppression systems and Fire protection systems. Other revenue streams include sale of products (fire extinguishers, fire detectors, water & foam monitors and other accessories) accounting 28% and from Asset Management Services (AMC) accounting for 2% of its total revenue. NFPIL generates 54% (FY14) of its consolidated sales from outside India while the balance is from its domestic operations. The company has its presence felt in South East Asia, Middle East and in Europe.

Domestic landscape

Domestic fire protection and building management systems industry is valued at USD1.5bn market. The organised market share is less than 50%. Here industry is led by TYCO. In India, NFPIL is among the top five players.

Market share of Organized Participants.



Source: Company.

As on FY14, the standalone company reported domestic sales of Rs4,554mn of which the major portion (~55%) came from project related activities. The turnkey projects are done by Parent Co: NFPIL in India. Turnkey projects include Fire detection systems, Gas suppression systems and Fire protection systems. Apart from the turnkey projects, NFPIL (parent) also engages in sale of cylinders, fire protection, detection equipment etc and manufacture of fire extinguishers and accessories. This accounts for ~41% of standalone sales. Share of revenue from AMC services is relatively low (~4%), due to the discretionary nature of the service impacted by a tough economic environment.

Group Revenue

The consolidated revenue, as on FY14, was Rs10,161mn, of which subsidiaries account for 57% share. Subsidiaries include one domestic (Eurotech) and 2 foreign subsidiaries (Nitin Ventures FZE UAE and Nitin Global PTE, Singapore).

As on FY14, Major portion of revenues came from turnkey projects abroad, primarily from UAE. Eurotech Cylinders Ltd is the domestic trading arm – which engages in industrial cylinders which are contract manufactured from China and imported to India for distribution and marketed under 'EURO' brand. The sale of products from this entity accounts for 2% of consolidated sales.

Nitin Ventures FZE, UAE and its step down subsidiary- New Age Ltd accounts for 49% of consolidated sales. Nitin Ventures UAE engages in trading of products after importing them from countries like China, U.K etc. New Age Ltd engages in turnkey projects and does projects across the 7 emirates in UAE. Prestigious projects include Al Meydan Race Course, Dubai medical College, Shobha Saphire, UAE Model School, Sharjah Military Hospital among others. The venture had taken several orders from government bodies in the past and now getting orders from private players too.

Nitin Global PTE, Singapore was incorporated in 2009, to cater South East markets, similar to its UAE operation. But unlike UAE operation, its Singapore operation yields lower margins (3-4%) and are a drag on the balance sheet.

Corporate Structure

The present corporate structure includes NFPIL (parent and holding Co), three 100% subsidiaries – Nitin Ventures FZE (UAE), Nitin Global PTE (Singapore) and Eurotech Cylinders Private Limited (India) and two associates – Worthington Nitin Cylinders Private limited and part ownership of onshore oil block, allocated under NELP VI, Rajasthan.

Nitin Ventures FZE, is engaged in distribution of fire protection products in Middle East and GCC. It provides turnkey solutions in UAE, through a step down subsidiary named New Age Co LLC (UAE). The company procures materials locally (+50%) while the rest are imported from China, Korea and Taiwan. Nitin Ventures holds 49% of share (with 100% beneficial interest) in New Age (U.A.E) at a total investment of Rs1,100mn. Initially the Co: had 40% investment (2008) that was later raised to 49% with controlling interest in the entity (2010).

Nitin Ventures has also started its fire protection and distribution operations in European regions under Firetec Systems Limited, in 2013. The venture plans to procure from U.K as most of the equipments sold across EU are U.K certified products. As per our discussion with the management, the company doesn't have plans to enter into turnkey solutions in the near future.

Nitin Global PTE Singapore, engaged in distribution of fire protection products to South East Asia.

NFPIL's Indian subsidiary, Eurotech Cylinders Private Limited is the trading company engaged with high pressure Industrial seamless cylinders and its distribution in India. It procures cylinders from China.

NFPIL has two associates, under its holding. Worthington Nitin Cylinders Private Limited is the joint venture we discussed above. The JV is an associate and NFPIL has 40% ownership interest. Details of investment where explained earlier.

NFPIL has entered into a production sharing contract for exploration and prospecting of a crude oil block in Rajasthan allocated under NELP VI. GAIL and GSPC are the main operators and HPCL, HAL and BPCL are other consortium members. The company has 11.1% interest in the block. As per estimates (Source GSPC DRHP), this block has a potential of 32.3mn barrel of four wells of oil reserves. As on December 2013, the Company had invested close to Rs240mn. The block is currently under approval by Director General of hydrocarbons for Phase 2 exploration.

Risks

Downside risks;

- Delay in revival of investment cycle affecting domestic sales and margins.
- We have factored 10-11% PBT for ME operations in FY15E and FY16E. This factors stable margins at Middle East operations but accounts higher depreciation and interest for the next two years. 100bps dip at PBT level would mean 7% decline in FY16E EPS.

Upside Risks;

- Management seems to be confidant on taking Parent margins to double digit levels this fiscal. 100bps improvement to domestic margins would mean 5% improvement in FY16E EPS.
- Based on our understanding, the opportunity in Middle East is very high on account of Dubai EXPO 2020. There is a higher probability that our sales estimates being conservative.

Consolidated Financials

Profit & Loss Account

Y.E March (Rsmn)	FY12	FY13	FY14	FY15E	FY16E
Sales	**5,360**	**7,047**	**10,161**	**13,012**	**17,468**
% change	22	31	44	28	34
EBITDA	**675**	**782**	**1,137**	**1,466**	**1,988**
% change	0	16	45	29	36
Depreciation	28	45	106	133	180
EBIT	645	735	1,031	1,333	1,807
Interest	167	254	305	376	485
Other Income	30	182	19	20	20
PBT	**508**	**663**	**696**	**977**	**1,342**
% change	(19)	30	5	41	37
Tax	38	49	30	98	134
Tax Rate (%)	7	7	4	10	10
Reported PAT	**440**	**570**	**665**	**880**	**1,208**
Adj*	-	-	(49)	-	-
Adj PAT	**440**	**570**	**714**	**880**	**1,208**
% change	(18)	30	25	23	37
No. of shares (mn)	221	221	219	219	219
Adj EPS (Rs)	**2.0**	**2.6**	**3.3**	**4.0**	**5.5**
% change	-18	30	26	23	37
DPS (Rs)	0.5	0.2	0.2	0.2	0.2

Balance Sheet

Y.E March (Rsmn)	FY12	FY13	FY14	FY15E	FY16E
Cash	209	576	368	568	500
Accounts Receivable	1,732	2,650	2,993	3,850	5,025
Inventories	2,090	1,401	1,774	2,331	3,010
Other Cur. Assets	491	523	1,085	920	995
Investments	475	360	359	369	374
Gross Fixed Assets	363	644	2,276	2,576	2,976
Net Fixed Assets	214	468	1,994	2,161	2,380
CWIP	23	-	-	-	-
Intangible Assets	1,229	1,355	-	-	-
Def. Tax (Net)	(4)	(2)	0	2	4
Other Assets	390	223	188	250	380
Total Assets	**6,850**	**7,552**	**8,761**	**10,451**	**12,669**
Current Liabilities	1,158	767	1,047	1,381	2,007
Provisions	109	81	79	107	144
Debt Funds	2,926	3,529	3,923	4,423	4,823
Other Liabilities	0	0	0	0	0
Equity Capital	39	39	-	-	-
Rsrvs and Surplus	1,584	2,734	-	-	-
Shareholder's Fund	2,657	3,175	3,711	4,539	5,695
Total Liabilities	**6,850**	**7,552**	**8,761**	**10,451**	**12,669**
BVPS (Rs)	**12**	**14**	**17**	**21**	**26**

Cash flow

Y.E March (Rsmn)	FY12	FY13	FY14E	FY15E	FY16E
Net inc. + Depn.	536	707	771	1,013	1,388
Non-cash adj.	186	207	300	(2)	(2)
Changes in W.C	(1,604)	(468)	(1,001)	(886)	(1,268)
C.F.O	**(881)**	**447**	**70**	**125**	**118**
Capital exp.	(161)	(345)	(1,633)	(300)	(400)
Change in inv.	(78)	41	1	(11)	(5)
Other invest.CF	(32)	49	1,298	-	-
C.F - investing	**(271)**	**(255)**	**(333)**	**(310)**	**(405)**
Issue of equity	-	-	(3)	-	-
Issue/repay debt	1,491	608	35	(62)	(130)
Dividends paid	(67)	(102)	(52)	(52)	(52)
Other finance.CF	(157)	(255)	57	500	400
C.F - Financing	**1,267**	**250**	**38**	**386**	**218**
Chg. in cash	48	398	(226)	200	(68)
Closing cash	154	551	368	568	500

Ratios

Y.E March (Rsmn)	FY12	FY13	FY14E	FY15E	FY16E
Profitab. & Return					
EBITDA margin (%)	12.6	11.1	11.2	11.3	11.4
EBIT margin (%)	12.0	10.4	10.1	10.2	10.3
Net profit mgn.(%)	8.2	8.1	7.0	6.8	6.9
ROE (%)	17.8	19.5	20.7	21.3	23.6
ROCE (%)	12.1	12.3	14.2	15.1	17.4
W.C & Liquidity					
Receivables (days)	141.3	113.5	101.4	96.0	92.7
Inventory (days)	96.8	90.4	57.0	57.6	55.8
Payables (days)	120.8	49.8	32.6	34.1	35.4
Current ratio (x)	3.6	6.1	5.5	5.2	4.4
Quick ratio (x)	1.7	4.2	2.9	2.8	2.5
Turnover &Levg.					
Gross asset T.O (x)	16.3	14.0	7.0	5.4	6.3
Total asset T.O (x)	0.8	1.0	1.2	1.4	1.5
Int. covge. ratio (x)	3.9	2.9	3.4	3.5	3.7
Adj. debt/equity (x)	1.1	1.1	1.1	1.0	0.8
Valuation ratios					
EV/Sales (x)	3.6	2.8	2.0	1.6	1.2
EV/EBITDA (x)	28.2	25.1	17.6	14.0	10.5
P/E (x)	36.8	28.4	22.6	18.3	13.3
P/BV (x)	6.1	5.1	4.3	3.5	2.8

Corporate Office

Geojit BNP Paribas, 34/659-P, Civil Lane Road, Padivattom, Kochi – 682024
Toll Free Number: 1800-425-5501 / 1800-103-5501
Paid Number: 91 – 0484 – 3911777
Email id: customercare@geojit.com

Recommendation Criteria:
The recommendations are based on a 12 month horizon, unless otherwise specified. The recommendations 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 between the analyst recommendation and the actual absolute returns based on the current market price.

BUY	-	Absolute return of more than 18%.
Accumulate	-	Absolute returns between 10% - 18%.
Hold	-	Absolute returns between 0% - 10%.
Reduce / Sell	-	Absolute returns of less than 0%.

*Accumulate is a better rating than SELL and HOLD, but lower than BUY recommendation. Clients are advised not to sell their holding in the stock and buy the stock whenever the stock provides a suitable price correction. The Analyst has a positive outlook about the company's business model; hence the stock is recommended to be brought over a period in a SIP (Systematic Investment Plan) fashion. Analyst has not given a BUY rating for reasons of premium valuations/clarity/events etc and may revisit rating at appropriate time. Please note that the stock always carries the risk of being downgraded to a HOLD or SELL recommendation on outcome of adverse events.